ANNEXURE

Buffalo City Metropolitan Municipality

2012/2013

ANNUAL REPORT

Volume I

Preface

CONTENTS

CONTENTS 2

REVISED ANNUAL REPORT TEMPLATE 10

CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY 12

COMPONENT A: MAYOR'S FOREWORD 12

COMPONENT B: EXECUTIVE SUMMARY 14

1.1. MUNICIPAL MANAGER'S OVERVIEW 14

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW 17

1.3. SERVICE DELIVERY OVERVIEW 21

1.4. FINANCIAL HEALTH OVERVIEW 26

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW 30

1.6. AUDITOR GENERAL REPORT 30

1.7. STATUTORY ANNUAL REPORT PROCESS 31

CHAPTER 2 – GOVERNANCE 33

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE 34

2.1 POLITICAL GOVERNANCE 34

2.2 ADMINISTRATIVE GOVERNANCE 37

COMPONENT B: INTERGOVERNMENTAL RELATIONS 41

2.3 INTERGOVERNMENTAL RELATIONS 41

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION 45

2.4 PUBLIC MEETINGS 45

2.5 IDP PARTICIPATION AND ALIGNMENT 48

COMPONENT D: CORPORATE GOVERNANCE 49

2.6 RISK MANAGEMENT 49

2.7 ANTI-CORRUPTION AND FRAUD 56

2.8 SUPPLY CHAIN MANAGEMENT 57

2.9 BY-LAWS 59

2.10 KNOWLEDGE MANAGEMENT 60

2.10 (a) WEBSITES 60
2.10 (B) KNOWLEDGE MANAGEMENT AND RESEARCH 61
2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES 67

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I) 68

COMPONENT A: BASIC SERVICES 68
3.1. WATER PROVISION 70
3.2 WASTE WATER (SANITATION) PROVISION 85
3.3 ELECTRICITY 96
3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING) 106
3.5 HOUSING 115
3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT 132

COMPONENT B: ROAD TRANSPORT 135
3.7 ROADS 135
3.8 TRANSPORT (INCLUDING PUBLIC BUS OPERATION) 142
3.9 WASTE WATER (STORMWATER DRAINAGE) 151

COMPONENT C: PLANNING AND DEVELOPMENT 154
3.10 PLANNING 156
3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES) 164

COMPONENT D: COMMUNITY & SOCIAL SERVICES 178
3.12 LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC) 179
3.13 CEMETORIES AND CREMATORIUMS 183
3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES 186

COMPONENT E: ENVIRONMENTAL PROTECTION 190
3.15 POLLUTION CONTROL 191

Preface

3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION) 193

COMPONENT F: HEALTH 195

3.17 CLINICS 195

3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC 197

COMPONENT G: SECURITY AND SAFETY 200

3.20 POLICE 200

3.21 FIRE 209

3.22 OTHER (DISASTER MANAGEMENT, ANIMAL CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER) 213

COMPONENT H: SPORT AND RECREATION 217

3.23 SPORT AND RECREATION 217

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES 221

3.24 EXECUTIVE AND COUNCIL 221

3.25 FINANCIAL SERVICES 224

3.26 HUMAN RESOURCE SERVICES 229

3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES 232

3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES 239

COMPONENT K: ORGANISATIONAL PERFOMANCE SCORECARD 248

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE 362

(PERFORMANCE REPORT PART II) 362

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL 362

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES 362

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE 364

4.2 POLICIES 365

4.3 INJURIES, SICKNESS AND SUSPENSIONS 366

4.4 PERFORMANCE REWARDS 371

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE 372

4.5 SKILLS DEVELOPMENT AND TRAINING 373

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE 375

4.6 EMPLOYEE EXPENDITURE 376

CHAPTER 5 – FINANCIAL PERFORMANCE 378

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE 379

5.1 STATEMENTS OF FINANCIAL PERFORMANCE 380

REVENUE BY SOURCE 385

EXPENDITURE BY TYPE 385

5.2 GRANTS 386

5.3 ASSET MANAGEMENT 390

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS 393

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET 398

5.5 CAPITAL EXPENDITURE 398

5.6 SOURCES OF FINANCE 399

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS 400

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW 401

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS 402

5.9 CASH FLOW 404

5.10 BORROWING AND INVESTMENTS 405

COMPONENT D: OTHER FINANCIAL MATTERS 406

5.12 SUPPLY CHAIN MANAGEMENT 406

5.13 GRAP COMPLIANCE 407

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS 408

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2011/2012 408

Preface

6.1 AUDITOR GENERAL REPORTS 2011/2012 (Previous year) 408

COMPONENT B: AUDITOR-GENERAL OPINION 2012/2013 (CURRENT YEAR) 409

6.2 AUDITOR GENERAL REPORT 2012/2013 409

GLOSSARY 411

APPENDICES 414

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE 414

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES 418

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE 424

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY 425

APPENDIX E – WARD REPORTING 425

APPENDIX F – WARD INFORMATION – Ward 1 441

APPENDIX F – WARD INFORMATION – Ward 2 442

APPENDIX F – WARD INFORMATION – Ward 3 443

APPENDIX F – WARD INFORMATION – Ward 4 444

APPENDIX F – WARD INFORMATION – Ward 5 445

APPENDIX F – WARD INFORMATION – Ward 6 446

APPENDIX F – WARD INFORMATION – Ward 7 447

APPENDIX F – WARD INFORMATION – Ward 8 448

APPENDIX F – WARD INFORMATION – Ward 9 449

APPENDIX F – WARD INFORMATION – Ward 10 450

APPENDIX F – WARD INFORMATION – Ward 11 451

APPENDIX F – WARD INFORMATION – Ward 12 452

APPENDIX F – WARD INFORMATION – Ward 13 453

APPENDIX F – WARD INFORMATION – Ward 14 454

APPENDIX F – WARD INFORMATION – Ward 15 455
APPENDIX F – WARD INFORMATION – Ward 16 456
APPENDIX F – WARD INFORMATION – Ward 17 457
APPENDIX F – WARD INFORMATION – Ward 18 458
APPENDIX F – WARD INFORMATION – Ward 19 459
APPENDIX F – WARD INFORMATION – Ward 20 460
APPENDIX F – WARD INFORMATION – Ward 21 461
APPENDIX F – WARD INFORMATION – Ward 22 462
APPENDIX F – WARD INFORMATION – Ward 23 463
APPENDIX F – WARD INFORMATION – Ward 24 464
APPENDIX F – WARD INFORMATION – Ward 25 465
APPENDIX F – WARD INFORMATION – Ward 26 466
APPENDIX F – WARD INFORMATION – Ward 27 467
APPENDIX F – WARD INFORMATION – Ward 28 468
APPENDIX F – WARD INFORMATION – Ward 29 469
APPENDIX F – WARD INFORMATION – Ward 30 470
APPENDIX F – WARD INFORMATION – Ward 31 471
APPENDIX F – WARD INFORMATION – Ward 32 472
APPENDIX F – WARD INFORMATION – Ward 33 473
APPENDIX F – WARD INFORMATION – Ward 34 474
APPENDIX F – WARD INFORMATION – Ward 35 475
APPENDIX F – WARD INFORMATION – Ward 36 476
APPENDIX F – WARD INFORMATION – Ward 37 477
APPENDIX F – WARD INFORMATION – Ward 38 478
APPENDIX F – WARD INFORMATION – Ward 39 479

APPENDIX F – WARD INFORMATION – Ward 40 480

APPENDIX F – WARD INFORMATION – Ward 41 481

APPENDIX F – WARD INFORMATION – Ward 42 482

APPENDIX F – WARD INFORMATION – Ward 43 483

APPENDIX F – WARD INFORMATION – Ward 44 484

APPENDIX F – WARD INFORMATION – Ward 45 485

APPENDIX F – WARD INFORMATION – Ward 46 486

APPENDIX F – WARD INFORMATION – Ward 47 487

APPENDIX F – WARD INFORMATION – Ward 48 488

APPENDIX F – WARD INFORMATION – Ward 49 489

APPENDIX F – WARD INFORMATION – Ward 50 490

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2012/2013 491

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS 492

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE..... 494

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS 495

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE 500

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE 500

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE 501

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG 502

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES 504

APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME..... 504

APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME 507

Preface

APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2012/2013 510

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2012/2013 519

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS . 528

APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION 528

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY 529

APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT 530

VOLUME II: ANNUAL FINANCIAL STATEMENTS 531

Preface

REVISED ANNUAL REPORT TEMPLATE

The purpose of this revised Annual Report template is to address the need expressed by a number of municipalities for assistance in the preparation and development of improved content and quality of Municipal Annual Reports. This template provides an update to the MFMA Circular No. 11, issued in January 2005.

This template gives effect to the legal framework requirement, concepts and principals espoused in the White Paper on Local Government and Improving Government Performance. It reflects the ethos of public accountability. The content gives effect to information required for better monitoring and evaluation of government programmes in support of policy decision making. The template provides an improved overview of municipal affairs by combining the performance report data required under Municipal Systems Act Section 46 with annual report data referred to in that Act and in the MFMA.

The revised template makes its contribution by forging linkages with the Integrated Development Plan, Service Delivery and Budget Implementation Plan, Budget Reforms, In-year Reports, Annual Financial Statements and Performance Management information in municipalities. This coverage and coherence is achieved by the use of interlocking processes and formats.

The revised template relates to the Medium Term Strategic Framework particularly through the IDP strategic objectives; cross cutting nature of services offered by different spheres of government, municipal service outcome indicators; and the contextual material as set out in Chapters 3, 4 & 5. It also provides information on good management practice in Chapter 4; risk management in Chapter 2; and Supply Chain Management in Chapter 5; and addresses the Auditor-General's Report, dealing with Financial and Performance Management arrangements in Chapter 6. This opens up greater possibilities for financial and non financial comparisons between municipalities and improved value for money.

The revised template provides information on probity, including: anti-corruption strategies; disclosure of financial interests by officials and councillors; disclosure of grants by external parties, disclosure of loans and grants by municipalities. The appendices talk to greater detail including disaggregated information on municipal wards, among others. Notes are included throughout the format to assist the compiler to understand the various information requirements.

Preface

The financial years contained in this template are explained as follows:

- Year -1: The previous financial year;
- Year 0: The financial year of reporting;
- Year 1: The following year, mostly requires future targets; and
- The other financial years will follow a similar sequence as explained above.

We wish to express our gratitude to the members of the Annual Report Reference Group, consisting of national, provincial and municipal officials for their inputs and support throughout the development of this document.

MFMA Implementation Unit, National Treasury
July 2012

CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

An annual report is a legal requirement provided for by Section 46 of the Local Government: Municipal Systems Act No. 32 of 2000 and Sections 121 and 127(2) of the Local Government: Municipal Finance Management Act No. 56 of 2003. It is further, required of the Executive Mayors to table such reports in their Councils within seven months after the end of each financial year.

Such legislative requirements are in concert with the notion of Development Local Government requiring of municipalities to be accountable and transparent to their respective communities. It is in the policy context of these legislative prescripts that I now present the annual report for the financial year 2012/13 set against the broad mandate of Local Government as prescribed in Chapter 7 of the South African Constitution read together with Part B of both schedule 4 and 5, which reflects on powers and functions that we have executive powers over as instructed by Section 156 (1) of the Constitution.

Whereas, the Annual Reports are a backward looking reflection on what we managed to achieve or not achieved, it is equally a forward looking reflection of where we want to be in the future - guided by our vision of becoming "a responsive, people centered and developmental City". It stands as an account of what we have done in the past financial year in realising our vision, and specifically in achieving our set objectives as detailed in our IDP, namely:

- Creating a financially sound organisation that efficiently manages its resources;
- Establishing an institutionally efficient and effective City that inclusively works with communities;
- Generating an enabling environment for an economy that is growing, diversifying, generating increasing number of sustainable employment opportunities and contributing to increased incomes and equality;
- Delivering sustainable infrastructure that support social and economic development;
- Establishing a well structured and capacitated institution that renders effective and efficient services to all by 2016; and
- Enhancing and protecting all environmental assets and natural resources within Buffalo City Metropolitan Municipality by 2016

The 53rd Annual Conference of the ANC once more, reminded us of the need to exercise political leadership in making developmental local government work, and in championing the realisation of our municipal vision through investing on human capital, systems development and resource management, as well as in building relationships in the context of inter-sectoral and inter-governmental relations. It is a political imperative that we contribute in defining to the national transformation

agenda, through amongst others means, shaping our IDP to relate to development priorities across sectors, areas and other interests.

Guided by our IDP, the municipality can proudly reflect on some of our achievements:

- Buffalo City Metropolitan Municipality was the best performing municipality in the Eastern Cape with the Blue Drop Score of 92.55%. The Blue Drop Evaluation System measures the quality of drinking water.

- We secured the 4th place among 8 Metropolitan Municipalities in South Africa, scoring at-least 86.7% in the Green Drop Evaluation System for managing waste water.

- We managed to enhance electricity networks to allow for RDP service connections, including 95% completion of the Queens-Park Zoo Sub-station, as well as a total of 1054 service connections combined in areas such as Reeston, Sweet Water, Postdam, Haven Hills and Mekeni Street. However, in the latter areas the full extent was not achieved due to the housing project not been completed.

- With an allocation of R27.9 million to the Electricity Department in the 2012/2013 financial year for capital projects will be completed in the 2013/14 financial year. These projects will include Frere Hospital, KWT, Brooklyn Road and Bhisho Fourways Switch Houses.

- It is worth-noting that network reinforcements and upgrades were completed in a number of areas as detailed in this report

- BCMM is implementing the Electricity Demand Side Management street lighting project to the value of R10m funded through the DoE.

- In assessing BCMM, the National Accreditation Assessment Team has recommended that we be awarded level 2 Accreditation in relation to Housing Services. Even though we have not yet been awarded the level 2 status the Provincial Department of Human Settlements has agreed to provide funding to Buffalo City Metropolitan Municipality in the form of a Capacity Enhancement Grant.

- A construction tender has already been awarded for the Gonubie Main Road widening project to the value of R150 000 000.00. This is an ongoing project to be completed in October 2014.

- A tender for the construction of a structure/bridge and related road to the cemetery in Ndevana over a period of 4 Months is currently being assessed and is expected to be awarded shortly.

- In our Local Economic Development interventions, we have invested our resources in the Buffalo City Urban Agriculture Infrastructure Development Programme, Rural Development, Training and Capacity Building, Tourism Development and Promotion, Marketing and Promotion, Tourism Publications, Tourism Exhibitions, Business Development, as well as in Trade and Investment interventions.

It is commendable to note the improvements in relation to our spending and expenditure patterns, but truly we can do more.

However, this period has also been characterized by a number of challenges including;

- A need to invest considerable funding to address the issue of bulk water conveyance and treatment works to deal with both the Blue Drop and Green Drop compliance requirements, housing delivery and economic development.

- Additional funding is required to replace all old equipment, which passed its normal engineering life span in order to ensure that the electrical network become fully reliable and functional.

- In relation to waste management, there is a dire need to change community mindset and behaviours in relation to illegal dumping, invest in more refuse compactor trucks, finding suitable land for Central Transfer Station, as well as built our human capital to improve efficiency.

- We still have approximately 50,386 informal settlement structures located in 154 informal settlements within the BCMM Urban Edge according to Census 2011, and this (alone) presents a big challenge of Housing backlog in our Municipality.

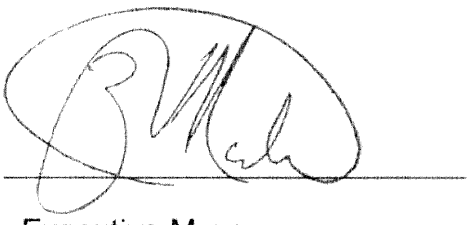
- An appointment for the BRT System tender was awarded in December 2011, but was later challenged by a losing bidder. Additional planning work is required which mainly involves the development of the business planning for the BRT system.

- In respect of LED, there is a need to ensure alignment of plans with the spatial development framework, as well as plans with other government spheres and sectors.

The ever present excuse of lack of resource might be a legitimate one, but the key question is how effectively we use the resources at our disposal. It is clear on this annual report that we are moving in the right direction, although not there yet. It is

of paramount importance to synchronise our programme plans with quarterly targets to achieve our broader goals of effective and efficient Metro.

Finally, I would like to express my sincere gratitude to members of the Mayoral Committee, all Councillors, officials, the communities of Buffalo City and various stakeholders for their dedication, support and co-operation, which enabled the institution to record service delivery progress during the year under review. It is also worth mentioning Section 154 support rendered to the institution by the National and Provincial Government.

Signed by : 

Z.V. Ncitha - Executive Mayor

T 1.0.1

Chapter 1

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

CITY MANAGER'S OVERVIEW

The Annual Report for the 2011/2012 financial year has been compiled in accordance with Section 46 of the Local Government Municipal Systems Act, No. 32 of 2000 (as amended), Section 127 (2) of the Local Government Municipal Finance Management Act, No. 56 of 2003, as well as accompanying circulars, templates and guidelines. In particular, MFMA Circular No. 63, issued in September 2012, added guidance to the preparation of this annual report, requiring all municipalities to report within the established framework and for such reports to be submitted to the Auditor General at the same time as the Annual Financial Statements in August each year.

This report records the performance and progress made by the Buffalo City Metropolitan Municipality in fulfilling its strategic objectives contained in the Integrated Development Plan (IDP), Institutional Scorecard and Service Delivery and Budget Implementation Plan (SDBIP) approved by Council for the year under review.

The 2012/2013 financial year marked the second year in office for the current Council, and significantly also the second year of Buffalo City as a metropolitan (category A) municipality.

The year under review had its share of successes and challenges from an administrative perspective. However, the Council has continued to strive towards the realisation of its vision to be "a responsive, people-centred and developmental City" which:

- Promotes a culture of good governance;
- Provides effective and efficient municipal services;
- Invests in the development and retention of human capital to service the City and its community;
- Promotes social and equitable economic development;
- Ensures municipal sustainability and financial viability;
- Creates a safe and healthy environment; and
- Places Batho-Pele principles at the centre of service delivery

To this end, Buffalo City Metropolitan Municipal Council has adopted a new macro structure, which will be implemented in the 2013/14 financial year. In addition, the Provincial Department of Human Settlements awarded BCMM a Capacity Enhancement Grant, with the view to enabling the Metro to become sufficiently capacitated to undertake all the tasks of a level 2 housing accredited institution.

Buffalo City Metro has continued to sustain a good relationship with other organs of State and the international community as it works towards the provision of effective municipal services and the ongoing institutional support. The 5th Global Forum on Innovation and Technology Entrepreneurship was hosted in East London in May 2013. This south-south and north-south networking and knowledge sharing forum attracted a wide range of business incubator managers, policy-makers, SME entrepreneurs, financiers and development agencies from all continents.

Ward committees have been the key tool in ensuring that public participation across the Metro. BCMM was the first Municipality in South Africa to undertake Basic Knowledge Management Training for councillors at NQF Level 5, and has now established a partnership with COGTA, to include this training as part of their Capacity Building Programme for councillors in all local governments throughout the country. In addition, BCMM was part of the team which developed the Knowledge Management toolkit for KM Managers in Local Government in South Africa.

In an effort to curb fraud in the metro, the Municipality adopted a comprehensive Fraud Mitigation Strategy during the period under review. This is due to be rolled out in the 2013 / 2014 year with a detailed investigation into the requirements to operate a Fraud Hotline as well as Fraud Awareness sessions. This will be followed up with Fraud Risk assessments within directorates.

While the formal sector is generally well serviced with regards to basic services, BCMM is making the necessary provision for more informal settlements to be adequately serviced. The rapid growth of urban centres is putting pressure on the municipality to increase its capacity in order to respond to the service calls timeously. Ageing and worn bulk infrastructure is putting pressure on BCMM's resources and ability to deliver an efficient and effective service. This notwithstanding, in the year under review BCMM was awarded both the highest Blue Drop and Green Drop awards in the Eastern Cape for the provision of water and sanitation services.

The release of land, vested in the State, for the purposes of developing additional housing has been a cumbersome process which has historically hindered development within BCMM. In response to this challenge, in 2012/2013 financial year, the Metro started engagements with the Housing Development Agency (HDA) with the view of signing a protocol agreement that will allow for land release and acquisition. The metro also successfully negotiated the release of the sleeper site in the East London CBD from

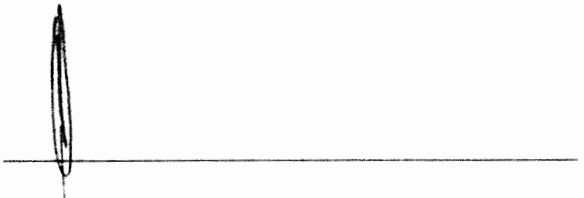
successfully negotiated the release of the sleeper site in the East London CBD from Transnet Property.

During the year under review, BCMM undertook two key roads projects which will have a massive positive impact on the communities which they serve:

- The construction tender was awarded for the Gonubie Main Road widening project. Construction commenced in April 2013 and completion is expected in October 2014;
- The completion of the detailed design and favourable outcome of the Environmental Impact Assessment for the implementation of a structure/bridge and related roads in Ndevana, providing access to a cemetery. A tender for the construction of this structure and road is currently being assessed and is expected to be awarded shortly;
- In a collaborative partnership with the National Ports Authority, the Buffalo Bridge was successfully rehabilitated and re-opened to the public in March 2013;
- Buffalo City successfully delivered its Sports and Tourism programmes by successfully hosting the December Summer Season activities, the Ironman Triathlon event and the Africa Golf Open Challenge;

However, the year was not without its fair share of challenges. The Bus-Rapid-Transport (BRT) project was stalled due to the metro's tender award being challenged by one of the unsuccessful tendering service providers. The General Valuations 2013 (GV13) project was also stalled due to litigation. Housing projects were hindered due to the poor performance of contractors, leading BCMM to cluster housing projects.

Finally, an important achievement for BCMM has been the appointment of a permanent Chief Financial Officer in March 2013, to strategically steer the finances of the institution into the future.



A Fani

City Manager

T 1.1.1

Chapter 1

INTRODUCTION TO BACKGROUND DATA

T 1.2.1

The population statistics for BCMM vary widely, depending on which dataset has been utilised. For the reporting period of 2012-2013, there was no uniformity across the Municipality with regards to which dataset was utilised. This was largely due to incongruities between the picture of the Metro painted by Census 2011 and what the officials understood to be the reality on the ground. An example of the incongruities are the 5,000 bucket toilets which Census 2011 states are to be found in the Metro, yet officials and councillors have no record of any bucket latrines in their area of jurisdiction.

As a result, the population figures provided here are based upon the 2001 and 2011 Census data, with discrepancies noted.

Using the 2001 Census data, the population is estimated to be 901,687 people.

Population Details

Population '000

Age	2011			2012			2013		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 4	45 506	44 298	89 805	46 184	44 958	91 143	46 873	45 628	92 501
Age: 5 - 9	38 682	37 471	76 153	39 259	38 029	77 287	39 843	38 596	78 439
Age: 10 - 19	71 882	72 055	143 937	72 953	73 129	146 082	74 040	74 219	148 258
Age: 20 - 29	83 332	87 071	170 403	84 573	88 368	172 942	85 834	89 685	175 518
Age: 30 - 39	61 638	66 918	128 556	62 557	67 915	130 472	63 489	68 927	132 416
Age: 40 - 49	48 018	58 733	106 750	48 733	59 608	108 341	49 459	60 496	109 955
Age: 50 - 59	36 054	46 240	82 294	36 591	46 929	83 520	37 136	47 628	84 765
Age: 60 - 69	18 647	24 832	43 479	18 924	25 202	44 126	19 206	25 577	44 784
Age: 70+	11 819	22 211	34 029	11 995	22 542	34 537	12 174	22 877	35 051

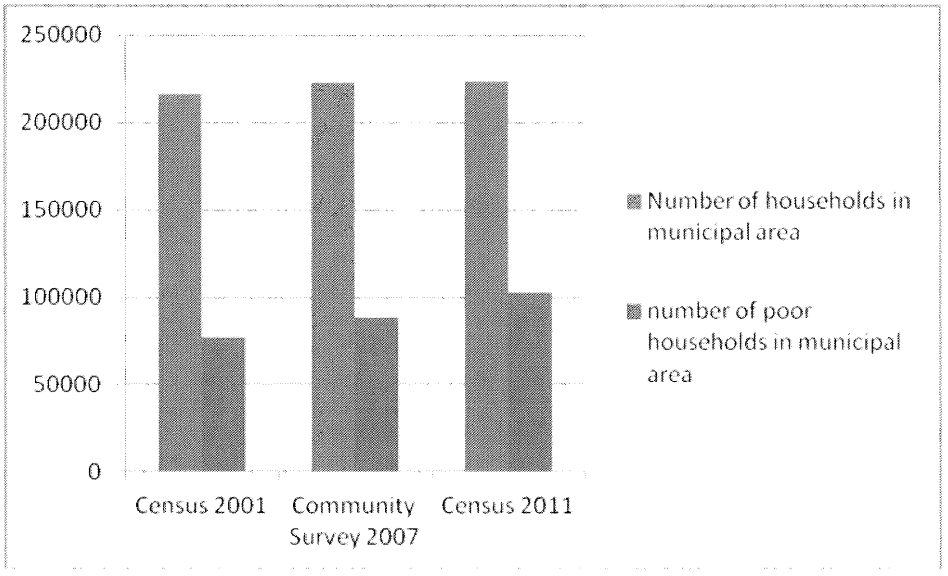
Source: Statistics SA (2001 Census) with an average 1.49% growth rate per annum applied *T 1.2.2*

Using the 2011 Census data, the population in the Metro is estimated at 777,873 people, using the same growth rate.

Chapter 1

Population Details									
									Population '000
Age	2011			2012			2013		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
0 - 4	39292	38211	77503	39877	38780	78658	40472	39358	79830
5 - 9	33365	32323	65688	33862	32805	66667	34367	33293	67660
10 - 19	62002	62152	124154	62926	63078	126004	63863	64018	127881
20 - 29	71894	75103	146997	72965	76222	149187	74052	77358	151410
30 - 39	53173	57723	110896	53965	58583	112548	54769	59456	114225
40 - 49	41432	50662	92093	42049	51417	93465	42676	52183	94858
50 - 59	31111	39888	70999	31575	40482	72057	32045	41086	73131
60 - 69	16090	21420	37511	16330	21739	38070	16573	22063	38637
70 +	10198	19161	29359	10350	19446	29796	10504	19736	30240
Source: Statistics SA (2011 Census) with an average 1.49% growth rate per annum applied									
T 1.2.2									

Households



T1.2.3

Chapter 1

Socio Economic Status						
Year	Housing backlog as proportion of current demand	Unemployment Rate[1]	Proportion of households with no Income[1]	Proportion of population in Low-skilled Employment[2]	HIV/AIDS Prevalence[2]	Illiterate people older than 14 years[1]
2001		23.5%	12%			39.3
2007		25.6%	14%			39.3
2011	40 000[3]	35.1%	17%			29.11
2012/2013					15%[4]	
						T 1.2.4

Notes:

Unemployment, proportions of households with no income and Illiterate people older than 14 years old - obtained from Census 2011, Community Survey 2007, and Census 2001.
Proportion of population in Low-skilled Employment and HIV/AIDS Prevalence - no data for it as yet.
Based upon the number of applicants on the municipal housing waiting list.
Sourced from the District Health Information System 2013.

T 1.2.5

The following table is based on Census 2011 statistics:

Overview of Neighbourhoods within BCMM		
Settlement Type	**Households**	**Population**
Towns		
East London	77 262	225 101
King Williams	9 908	34 015
Bhisho	3 166	9 192
Sub-Total	***90 336***	***270 308***
Townships		
Mdantsane	39 648	156 834
Phakamisa	1 886	6 602
Zwelitsha	5 410	18 186
Ginsberg	3 204	10 766
Dimbaza	6 378	21 294
Sweetwater	3 165	5 395
Sub-Total	***59 526***	***219 077***

Chapter 1

Overview of Neighbourhoods within BCMM		
Settlement Type	**Households**	**Population**
Rural Settlements		
Across BCMM	23 408	170 701
Sub-Total		
Informal Settlements		
Rural informal settlements	11 393	16 947
Townships informal settlements	10 415	19 046
Town informal settlements	27 980	59 121
Sub-Total	***49 788***	***95 114***
Grand Total	**223 058**	**755 200**

T1.2.6

Natural Resources	
Major Natural Resource	**Relevance to Community**
Ocean & coastline	Trade; Tourism; Subsistence; Recreation
Agricultural land	Agriculture
Bushveld & grasslands	Tourism; Subsistence agriculture

T 1.2.7

COMMENT ON BACKGROUND DATA:

Buffalo City is regarded as one of the key economic hubs of the Eastern Cape Province and is estimated to contribute about 23% to the total GDP of the Province and provides 19% of the Province's employment opportunities. Because of the coast and many natural attractions, the Eastern Cape in general, and Buffalo City in particular, have the potential to benefit from the worldwide annual tourism growth of 5% - 6%. To this end, BCMM is positioning itself both as a sporting destination and as an important node in the Eastern Cape "Adventure" Province. With the EL IDZ, the manufacturing and trade sectors are also seen as priority sectors.

However, Buffalo City has a high unemployment rate (31.5%: Census 2011) as well as a high illiteracy rate – with 29% of people 14 years and older being functionally illiterate.

T 1.2.8

Chapter 1

SERVICE DELIVERY INTRODUCTION

Water and Sanitation

The basic level of service for households outside of the Urban Edge is communal standpipes and VIPs (or equivalent). Alternative sanitation technology options are also considered to optimise the operation and maintenance implications for BCMM.

The level of service for households within the urban edge is:

Target level : erf connection and water borne sanitation; and

Minimum level: yard connection and VIP (or equivalent).

Shortfalls

The total required funding, which is not part of the 2012-2015 MTREF, to address the water backlog to the following areas is R111 325 707

Bulk Water Supply to Coastal Areas(Ward 31&27)

Bulk Water Supply Newlands and Other Areas

Ward 33 Water Supply Needscamp/ Ncera

The total required funding to address the sanitation backlog (Rural and Informal) in Wards 49,40, 31, 33, 44, 43,16,45 and 36 is R431 742 000.

Electricity

During the year under review, the only formal houses which did not have electrification (40 Amps) were those new houses which had been built during the year and for which funding was required. However, this situation lasted a few months in the worst case scenarios. It can therefore be reported that all formal housing within the Metro is provided with electrification above the minimum basic requirement.

During the year under review, no informal settlements were electrified, although the process was initiated to enable this to begin in the 2014/15 financial year.

Roads and Stormwater

The Roads Department fulfils the following functions:-

Maintenance and construction of surfaced proclaimed roads (including road-side furniture).

Maintenance and construction of gravel proclaimed roads (including road-side furniture).

Maintenance and construction of major and minor structures (culverts, bridges, retaining walls).

Maintenance of railway sidings.

Managing all activities within the road reserve (design approvals, way-leaves, accommodation of utilities, traffic calming facilities).

Roads across the Metro are deteriorating more rapidly as the available budget cannot adequately address the need for upgrade and additional maintenance.

Waste Management

In line with the National Environmental Management Act, Buffalo City Metropolitan Municipality is in the process of reviewing its Integrated Waste Management Plan (IWMP) which was adopted by Council in 2003.

In addition, BCMM undertakes the following programmes on a regular basis:

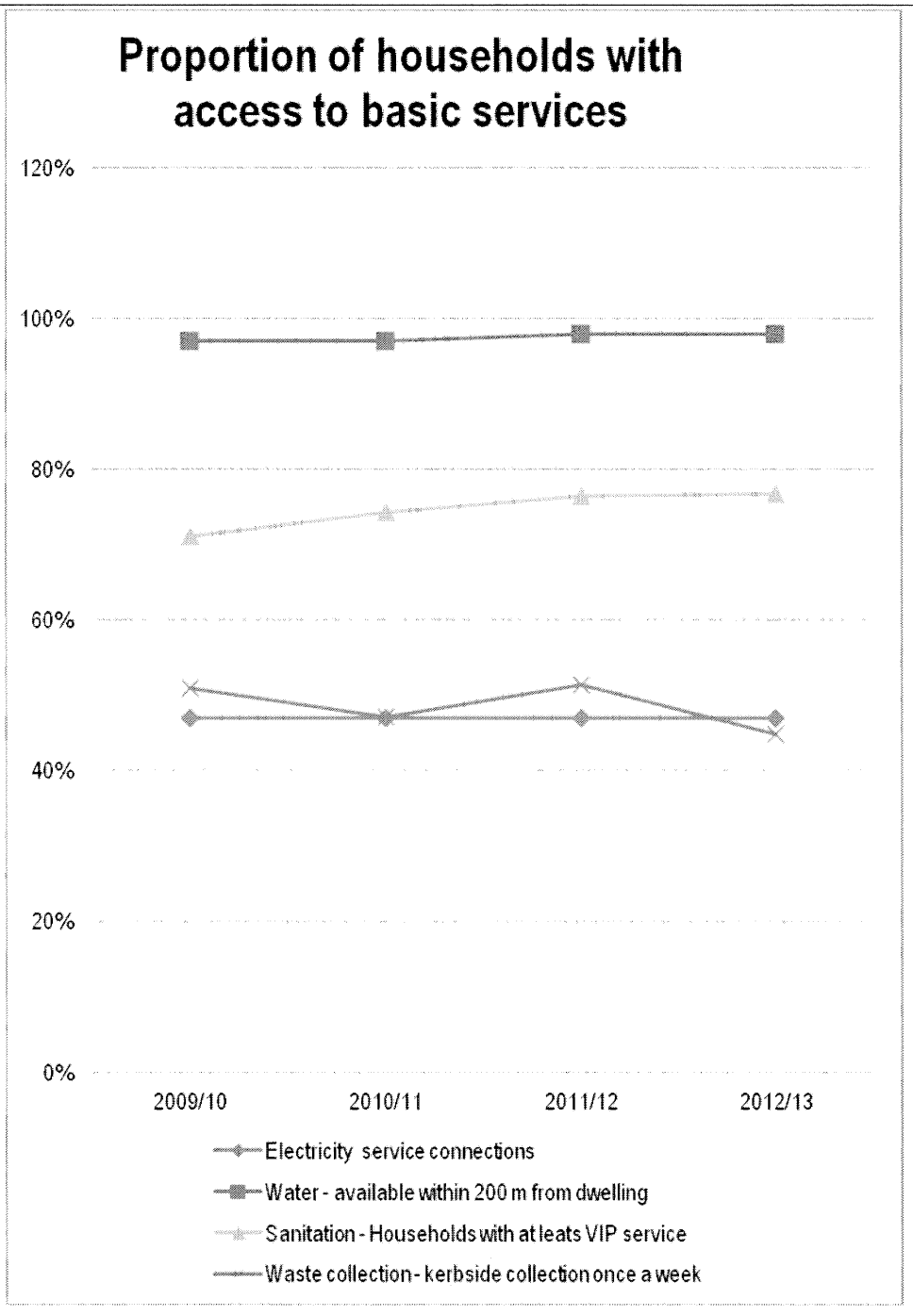
Street Sweeping and Refuse Removal.

Landfills and Waste Minimization.

Public Conveniences management.

T 1.3.1

Chapter 1



T 1.3.2

Chapter 1

COMMENT ON ACCESS TO BASIC SERVICES:

In general, access to basic services has increased over time in BCMM. The following key achievements are noted:

Water

98% of the population has access to minimum basic water services. Only 3% of informal settlements are not supplied with adequate water services. 15,000 indigent people received free basic water.

However, BCMM is generally a water stressed region, which is due, largely, to the lack of additional capacity on the water treatment plants and unnecessary water losses due to old and poorly maintained infrastructure.

During the 2012/13 year, BCMM established the Kei Road water treatment plant; upgraded the pumping system on the Buffalo River; upgraded the Umzonyana water treatment plant, and engaged Amatole Water with a view to establishing the viability of a dedicated bulk main from the Nahoon water treatment plant to the Quenera. Measures were also implemented to reduce water losses. The Water Conservation and Water Demand Management Strategy was adopted in 2012.

Although BCMM has struggled with water quality at times – due to effluent discharge into rivers, run off from agricultural lands, stormwater networks and runoff from informal settlements, the water quality was generally acceptable. BCMM was awarded the highest Blue Drop Rating in the Eastern Cape (92.55%).

Sanitation

The sewerage system across BCMM lacks capacity, and is old and poorly maintained. This limits development, and in particular limits the development potential of the IDZ.

In order to address some of the identified challenges, BCMM is establishing a regional wastewater treatment works in Kei Road and Reeston.

In spite of the challenges, BCMM received the highest Green Drop Rating in the Eastern Cape – 86.7%.

Service provision was at or above minimum standards for 76.7% of the population and 67% of informal settlements had inadequate access to basic sanitation in the year under review. 12,000 indigent people received free basic sanitation.

Electricity

The Queens Park Zoo substation is 95% complete. This will enable the Metro to electrify additional RDP settlements across the City.

During the year under review, 1,554 new electrical connections were made, general network enhancement was undertaken, and 5,200 new energy-efficient street lights were installed. 16,100 indigent people received free basic electricity.

Waste Removal

Waste removal is currently facing service challenges within the Metro. However, some of the issues around a lack of capacity were addressed during the year under review, with 10 new refuse compactor trucks being purchased.

Currently, 44.8% of the population have their refuse removed at least once a week. 9,000 indigent people are provided with access to free waste removal.

Housing

BCMM has engaged with the Housing Development Agency, with a view to signing a protocol agreement which will allow for land acquisition and release for the purposes of housing delivery.

Some 40,000 people are registered on BCMM's housing database. In 2012/13, 432 houses were built under the Breaking New Ground programme. In addition, 1670 sites are at excavation level, 1377 houses are at roof height and 1327 houses are due to be handed over imminently.

BCMM has drafted a new Allocation and Reallocation Policy.

The Metro has been recommended for Level 2 Housing Accreditation. In light of this, the Department received a Capacity Enhancement Grant to facilitate the full capacitation of BCMM in this regard.

T 1.3.3

Chapter 1

FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

The 2012/2013 financial year has yielded many successes for the Buffalo City Metropolitan Municipality, one of which was the appointment of a permanent Chief Financial Officer to strategically steer the finances of the Institution into the future. The Municipality has achieved accolades in the press for the significant improvement in capital spending which has occurred in the 2012/2013 financial year.

The surplus for the year is R483m, which is an unfavourable variance of R281m in comparison to the budgeted surplus of R763m.

Total revenue of R4,447m (including Contributions) did not achieve the expected budget expectations and there was a shortfall in collection of R27m. This can be attributed to a reduced release of funding associated with operational projects expenditure to the extent of R73m.

Total expenditure totalled R3,96m in comparison with a budget of R4,032m, thus resulting in a favourable variance of R67m. The largest contributors to this variance were a saving, which was achieved within other expenditure, of R161m and employee related costs totalling 73%.

The surpluses generated by the Metro continue to have a positive impact on the call investment deposits which in turn contribute to above budget interest income of R30m (56%).

The long term loans comprise a total of R647m, which is a slight increase of R2m on the balance at the beginning of the financial year. The Institution has a facility with DBSA which it utilized during the financial year to the extent of R45m in order to fund new capital asset expenditure which was incurred in the previous year. The Institution is in an enviable position of having access to additional long term loan facilities in order to invest in the replacement of infrastructure assets.

T 1.4.1

Chapter 1

Financial Overview: Year 0			R' 000
Details	**Original budget**	**Adjustment Budget**	**Actual**
Income:			
Grants	804,866	796,769	1,239,027
Taxes, Levies and tariffs	2,553,331	2,553,331	2,546,163
Other	608,441	608,441	662,280
Sub Total	**3,966,637**	**3,958,541**	**4,447,470**
Less: Expenditure	**3,992,222**	**4,031,666**	**3,964,691**
Net Total*	**(25,584)**	**(73,125)**	**482,779**
* *Note: surplus/(defecit)*			*T 1.4.2*

Operating Ratios	
Detail	**%**
Employee Cost as a percentage of Operating Revenue	25.00%
Repairs & Maintenance as a percentage of Total Revenue (excl. Capital Transfers and Contributions)	6.70%
Capital Charges to Operating Expenditure	2.80%
Cost Coverage	3.8
Debt to Revenue	16.6%
Current Ratio	2.08 : 1
Liquidity Ratio	1.50 : 1
	T 1.4.3

COMMENT ON OPERATING RATIOS:

Employee Costs as a percentage of Operating Revenue: The rate of 25.00% is lower than the expected norm of 30% and is due largely to the unfilled posts in the top echelons of the Municipality.

Repairs and maintenance as a percentage of Total Revenue (excl. Capital Transfers and Contributions): The rate has remained stable at around 7% for the past 4 years. During the period under review it was 6.70%.

Capital Charges to Operating Expenditure: The rate continues to decrease as a result both of increases in Operating Expenditure and no new borrowings being incurred by the Metro. The rate currently is 2.8%.

Cost Coverage: This rate has decreased over the past year and currently is at 3.8 months, representing how many months expenditure can be covered by cash and other liquid assets available to the Metro.

Debt to Revenue: The rate of 16.62% is below National Treasury's maximum of 35%.

Current Ratio: The rate of 2.08 : 1 is regarded as good and indicates the Metro's ability to pay Current Liabilities with available Current Assets. The norm is set at 1.5 : 1, so the Metro's Current Ratio is better than the Municipal Industry norm.

Liquidity Ratio: The rate of 1.50 : 1 is regarded as good and indicates the Metro's ability to pay Current Liabilities with available Current Liquid Assets. The norm is set at 1 : 1, so the Metro's Liquidity Ratio is better than the Municipal Industry norm.

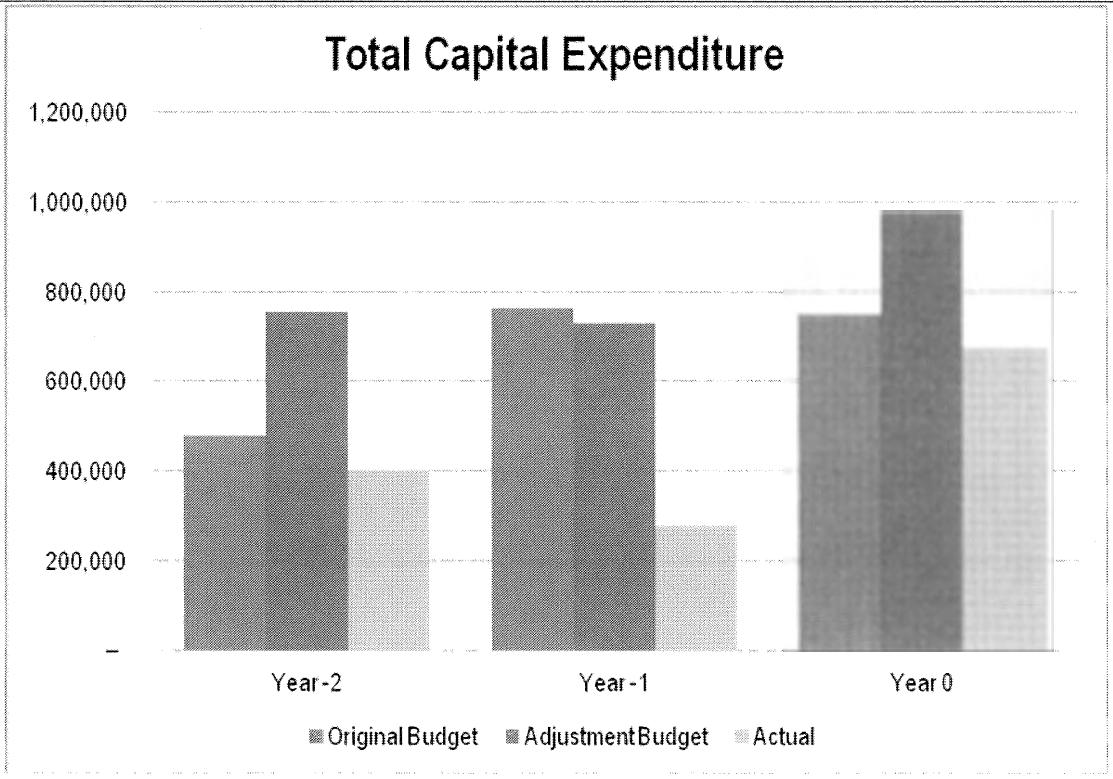
T 1.4.3

Total Capital Expenditure: Year -2 to Year 0

R'000

Detail	Year -2	Year -1	Year 0
Original Budget	481,212	764,669	749,097
Adjustment Budget	754,576	731,541	978,103
Actual	397,704	278,888	593,485

T 1.4.4



T 1.4.5

COMMENT ON CAPITAL EXPENDITURE:

BCMM has spent 68% (61% exclusive of reclaimed vat) of its capital budget, which reflects a significant improvement when compared to the two previous financial years. The under-spending of the total budget is mainly due to a BRT tender that is currently under litigation, and housing projects that were delayed due to late approval of EIAs.

T 1.4.5.1

Chapter 1

ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

The 2012/2013 financial year was a key in BCMM's transformation to a Metropolitan Municipality. During this year the Municipality finalised into Macro-structure. This sets out the broad functional structure of the Metro the political governance structure and the Senior Management posts (section 56 posts), inclusive of the City Manager and Heads of Departments.

The macro-structure was adopted by Council as its meeting in May 2013. This has paved the way for both the filling of the Heads of Department posts, as well as the finalisation of the micro-structure i.e. the organisational structure below S 56 level. The deadline for completion of the structure is September 2013 and all staff are to be integrated into such structure by June 2014. In addition, the posts of Heads of Departments are being advertised in August 2013.

A further key organisational development issue was the adoption by Council in June 2013 of an Employee Performance Management System (EPMS) Framework and Policy. BCMM is rolling-out employee performance management to all staff over the following three (3) financial years, commencing with a roll-out of staff to Programme Manager level in the 2013/14 financial year.

T 1.5.1

AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT: 2012/2013

Delete Directive note once comment is completed – State the type of opinion given (disclaimer; adverse opinion; qualified opinion; unqualified opinion with 'other matters'; and an unqualified opinion) and briefly explain the issues leading to that opinion. In terms of a disclaimer you must state that 'the accounts of this municipality were too deficient in essential detail for the Auditor General to form an opinion as to the financial viability or rectitude of this municipality'. If opinion is unqualified, briefly explain the key steps taken to accomplish and maintain (where appropriate) this important achievement. Note that the full audit report should be contained in chapter 6 of the Annual Report.

T1.6.1

Chapter 1

STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats, in order to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year.	
4	Submit draft 2012/2013 Annual Report to Internal Audit and Auditor-General.	
5	Municipal entities submit draft annual reports to MM.	
6	Audit/Performance committee considers draft Annual Report of Municipality and entities (where relevant).	August
8	Mayor tables the unaudited Annual Report.	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report, to Auditor General.	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits the Annual Report, including consolidated Annual Financial Statements and Performance data.	September - October
12	Municipalities receive and start to address the Auditor General's comments.	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report.	
14	Audited Annual Report is made public and representation is invited.	
15	Oversight Committee assesses Annual Report.	
16	Council adopts Oversight report.	December
17	Oversight report is made public.	
18	Oversight report is submitted to relevant provincial councils.	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	January
		T 1.7.1

Chapter 1

COMMENT ON THE ANNUAL REPORT PROCESS:

During the 2012/2013 financial year, National Treasury issued MFMA Circular 63, without replacing Circular 11, which also regulates the content of the Annual Report and sets out a revised format. In addition, this circular prescribes new timeframes within which the Annual Reports shall be compiled and presented.

The timeframes have been adjusted to coincide with the submission of the Annual Financial Statements in August each year. This has required the IDP office, which is responsible for the collation of the Annual Report, and the Finance directorate, responsible for the Annual Financial Statements, to work closely together.

The benefits of the revised timeframes will only be realized in the 2013/14 year, as all relevant data is made available for planning processes. The intention is clearly that this will make the IDP and Budgeting processes easier. With both the Annual Report and Annual Financial Statements available at the start of the new year, it becomes easier to align the budget, IDP and performance management targets. This is expected to have positive spin-offs as progress can be measured more effectively year on year.

Given the substantial change in both the reporting format and the revised timeframes, BCMM has experienced some "teething problems". Firstly, the development of this Annual Report came not very long after the submission of the 2011/2012 report. In addition, the data and formatting posed some challenges to the process. Although the required data is generally available across the Municipality, the collation thereof into the required formats took substantial time. In some instances, the reporting requirements did not seem to relate clearly to the way in which certain departments are used to reporting. The report structure was also not always well aligned to the municipal structure. There was, therefore, some confusion within the development process as to exactly what should be reported and where this information should be positioned in the report. Furthermore, the challenges identified with regards to departments using different baseline statistics for service delivery made the reporting on backlogs and achievements somewhat difficult.

However, in spite of the challenges experienced, BCMM has succeeded in compiling an Annual Report which is expected to meet the requirements of the Auditor General. In subsequent years, the process should be smoother, given that the report structure will be familiar and that the timeframes will be easier to meet, given that there will be a full year between reports.

T 1.7.1.1

Chapter 2

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

Corporate governance is comprised of Risk Management and Fraud Mitigation, Internal Audit / Audit Committee, Compliance Services, Legal Services, Communication and Development Cooperation, Public Participation and Special Programmes, Knowledge Management, Research and Policy.

The preamble to the Local Government: Municipal Systems Act provides inter alia for the "core principles, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities; to define the legal nature of a municipality as including the local community working in partnership with the municipality's political and administrative structures; to provide for the manner in which municipal powers and functions are exercised and performed; to provide for community participation; to establish an enabling framework for the core processes of planning, performance management, resource mobilisation and organisational change which underpin the notion of developmental local government; to provide a framework for local public administration and human resource development; to put in place service tariffs and credit control policies by providing a framework for the provision of services, and service delivery agreements; to provide for credit control and debt collection; and to provide for matters incidental thereto".

The importance of good governance is widely recognized. Good corporate governance generates the goodwill necessary to enable sustainable value creation. Other pieces of the legislative framework impact on the activities of the Municipality and for the purpose of this cluster the King III Report is considered important. The introduction of the King III Report on Corporate Governance necessitates increased attention being paid to compliance issues. This covers activities such as Internal Audit, Fraud and Risk Management as well as Information Technology.

Within this overall framework fall activities such as: risk and fraud management, internal audit, legal and compliance, knowledge management and public participation.

T 2.0.1

Chapter 2

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Note: The Constitution section 151 (3) states that the council of a municipality has the right to govern on its own initiative, the local government affairs of the local community.

The Buffalo City Municipal Council is the ultimate political decision-making body of the Municipality. The Executive Mayor of Buffalo City, Zukiswa Ncitha, takes overall strategic and political responsibility for the city, while the Municipal Manager, Andile Fani, heads the City's administration, and provides the link between the political and administrative arms of City government. The heads of departments and officials are responsible for physically implementing policy. Ward councillors are the Municipality's key link between the municipal government and the residents.

T 2.1.0

POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

Note: MFMA section 52 (a): The Mayor must provide general political guidance over the fiscal and financial affairs of the municipality

The section 12 notice published by the Member of the Executive Council for Local Government & Traditional Affairs determined that Buffalo City Metropolitan Council, in terms of section 9(d) of the Municipal Structures Act 1998, should have an Executive Mayoral System combined with a Ward Participatory System.

The independent Audit Committee reports directly to Council, providing opinions and recommendations on financial processes and performance.

The Municipal Public Accounts Committee is in place to strengthen the oversight arrangements in the Municipality and to ensure the efficient and effective use of municipal resources. Its key role is to consider and evaluate the content of the annual report and to make recommendations to Council when adopting an oversight report on the annual report, as required in terms of section 121 of the Local Government: Municipal Finance management Act and Circular no 32 issued by the Minister of Finance.

T 2.1.1

Chapter 2

Photos

POLITICAL STRUCTURE

MAYOR

Z. Ncitha

Presides at meetings of the Executive committee.

Performs duties, including any ceremonial functions and exercises the powers delegated to the Mayor by Municipal Council or the Executive committee.

DEPUTY MAYOR

T. Tinta

The Deputy Mayor exercises the powers and performs the duties of the Mayor, if the Mayor is absent or not available, or if the office of the Mayor is absent.

SPEAKER

L.E. Simon-Ndzele

Presides at the meeting of the Council.

Ensures that the Council meets at least once a quarter.

Strictly ensures that the Council meetings are conducted in accordance with the rules and orders of the Council.

CHIEF WHIP

S. Matwele

Performs duties that are delegated to him/her by Council.

Photos (optional)

MAYORAL COMMITTEE/ EXECUTIVE COMMITTEE

Pumla Nazo - Economic Development and Agencies.

Rufus Rwexu - Public Safety and Health.

Tembisa Zantsi - Support Services.

Mthetheleli Sam - Development Planning and Management.

Rufus Rwexu - Infrastructure Planning and Services.

John Badenhorst – Finance.

Ayanda Peter - Institutional Operations and Civic Relations.

Nomfezeko Ngesi - Community Services.

Nomiki Mgezi - Development Programmes and Projects.

Temba Tinta - IDP and Operational Performance Management.

COUNCILLORS

BCMM has one hundred Councillors:- Fifty Councillors were elected in terms of the system of proportional representation and fifty Councillors represent wards. The first Council Meeting elected the Executive Mayor, Deputy Mayor, Council Speaker and Chief Whip. The Executive Mayor has a nine member Mayoral Committee.

T 2.1.2

POLITICAL DECISION-TAKING

The political decision making at BCMM is supported by the Management Committee. All recommendations from the Management Committee are put forward to the relevant Portfolio Committees, who then make recommendations to the Mayoral Committee. Once the Mayoral Committee has accepted the recommendation, the recommendations are made to the Council. Council is then in a position to take the final decision on the matter. In the few cases where there is no consensus on a matter within Council, the issue will go to vote. Once the Minutes of the Council meeting have been adopted, the responsibility lies with the Accounting Officer to ensure that actions are taken to implement such resolutions.

T 2.1.3

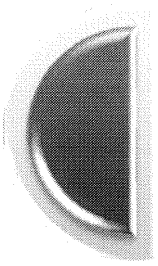
Chapter 2

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

Note: MFMA section 60 (b): The Municipal Manager of a municipality is the accounting officer of the municipality for the purposes of this Act and must provide guidance on compliance with this Act to political structures; political office bearers, and officials of the municipality and any entity under the sole or shared control of the municipality.

The 2012/2013 financial year marks the second year of Buffalo City as a Metro. The organisational changes required to enable BCMM to perform all its duties as a Metro effectively and efficiently are still underway. The following structure shows the macro organisational structure which was effective in the 2012/13 financial year.



City Manager

* Head of Administration
* Accounting Officer

Chief Financial Officer

* Budget and Treasury
* Revenue Management
* Expenditure Management
*Assset Management
* Supply Chain Management

Director: Corporate Services

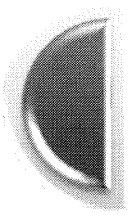
* Human Resources Management
* Organisation Support
* Information Technology

Director: Development Planning

* Development Planning
* Spartial Planning
* Human Settlements Planning
* Land Administration
* Transport Planning and Operations

Director: Engineering Services

* Roads and Stormwater
* Electricity
* Water
* Sanitation



Chief Operations Officer

*Housing Delivery
*Mdantsane Urban Renewal Programme
* Duncan Village Redevelopment Initiative

Director: Public Health and Safety

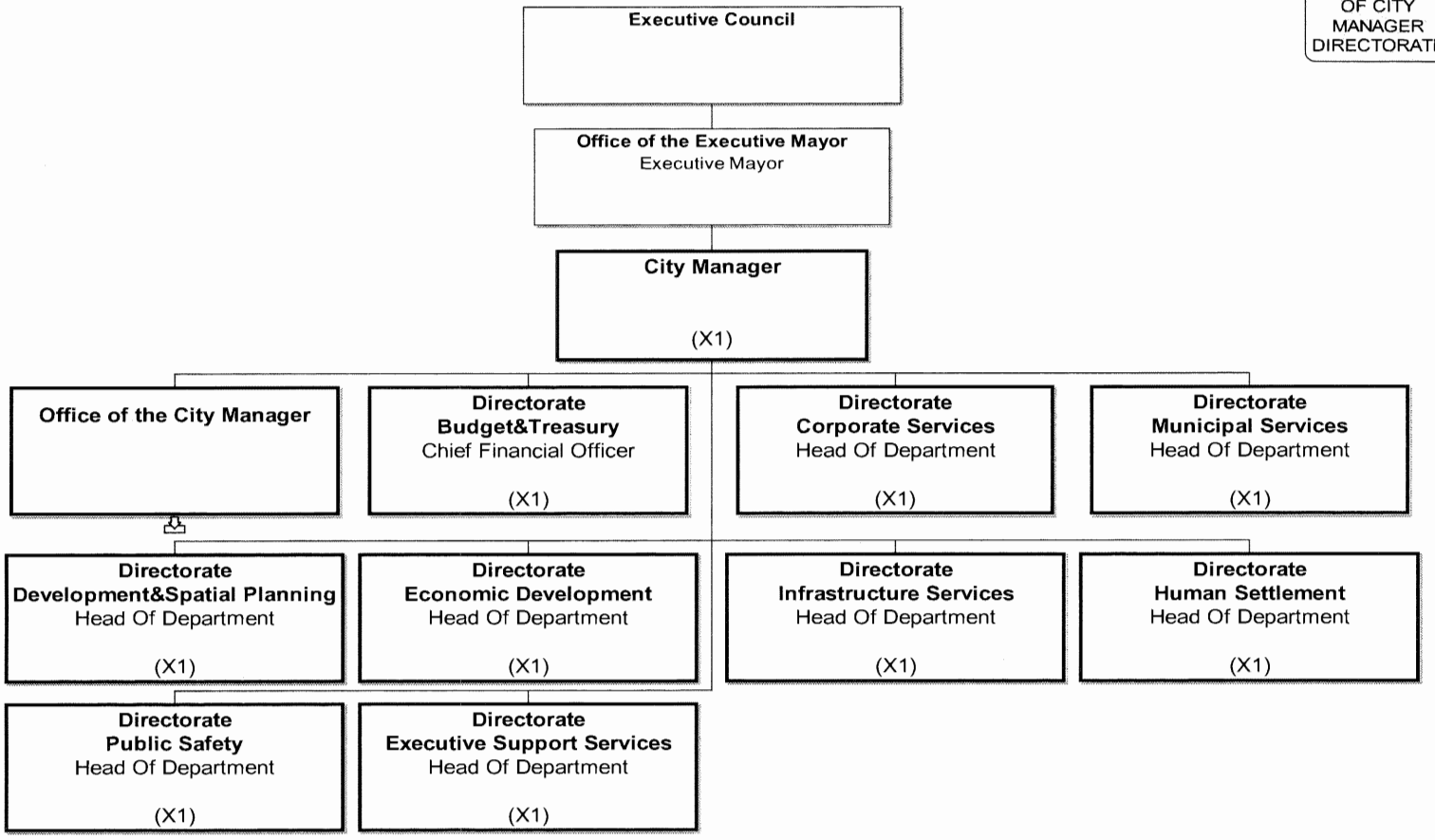
* Law Enforcement
*Traffic Safety
* Disaster Management
* Fire and Rescue Services

Director: Executive Support Services

* Integrated Development Planning
*Institutional Performance Management
*Geographical Information Management
* Policy Development and Knowledge Management
* Political Offices Management

In the year under consideration, the organisational structure has also undergone a review and the following macro structure has been adopted by Council for implementation in the 2013/14 financial year:

PROPOSED STRUCTURE OF CITY MANAGER DIRECTORATE



In addition to the above, the Municipality has an established Internal Audit Unit, which conducts regular reviews of systems of control as well as compliance with legislated provisions and policies.

T 2.2.1

Photo	**TOP ADMINISTRATIVE STRUCTURE**	**Function**
	TIER 1 **MUNICIPAL MANAGER** Mr A. Fani	
	TIERS 2 AND 3 **Acting DIRECTOR: Executive Support Services** Ms O. Mahlangu	
	Acting Chief Operations Officer Mr T. Matiwane	
	Chief Financial Officer Mr V. Pillay	
	Acting Director: Executive Corporate Services Mr L. Wulff	
	Director: Engineering Services Mr N. Ncunyana	
	Director: Development Planning Ms N. Mbali-Majeng	
	Acting Director: Public Health & Public Safety Mr S. Terwin	
	Acting Director: Community Services Mr Z. Gijana	

Chapter 2

*Note: * denotes officials on fixed term performance contracts reporting to the Municipal Manager under the Municipal Systems Act Section 57.*

T2.2.2

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Note: MSA section 3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisage in the Constitution section 41.

T 2.3.0

2.3 INTERGOVERNMENTAL RELATIONS

DEVELOPMENT COOPERATION AND INTERNATIONAL RELATIONS

The role of local government in IR has moved significantly from the symbolism of the past to meaningful interaction of mutual benefit with far reaching implications for the image of South Africa, and the development agenda at a local government level i.e attainable economic benefits.

In this regard it has been determined that the growing demands and complexity of South African municipal service-delivery imperatives have impacted significantly on the range and depth of skills and competencies required from within the municipal economy. This has necessitated serious consideration of municipal international relations as an increasingly viable conduit for scarce skills and resources.

In the year under review 2012-2013 the following was achieved for International Relations:

Milwaukee County, Wisconsin USA partnership

Following the funding and handing over of the upgraded and extended Aspiranza clinic, located in Ward 10 of Buffalo City, the unit managed to secure funding for medical equipment and furniture for the additional rooms after the upgrade. Furniture to the value of R36 000 and equipment to the value of R54 000 were donated to Aspiranza Clinic in November July 2012.

City of Glasgow, Scotland partnership

Buffalo City Metropolitan Municipality, on an annual basis, has been afforded the opportunity to be a recipient of donated books from ACTSA in Glasgow, Scotland. Since the signing of the agreement in October 2010, BCMM has received two consignments totalling to 100,000 books for schools in the area. As part of the commemoration of former President Nelson

Mandela's birthday, a handover of books ceremony took place at the East London City Hall. Approximately forty (40) schools in Buffalo City benefitted from the donation of books. Due to the popularity of the books drive, the Development Cooperation and International Relations Unit have made application for a third consignment of books to be handed over on 18 July 2013.

Gävle, Sweden partnership

2012 marked the 10 year Anniversary for the Buffalo City-Gävle partnership. The commemorations took place in both Buffalo City and Gävle. In August 2012 Buffalo City participated in the commemorations in Gävle, Sweden. Buffalo City and Gävle also, during this period, supported project applications for Good Governance, Renewable Energy, Masimanyane Women's Support Centre and Blåklockan Women's 'Violence Against Women' project. In May this year we were advised that the projects had been approved by the International Centre for Local Democracy. The partnerships are expanding on an annual basis to include other levels of government, NGO's and other partners in the city.

City of Oldenburg, Germany partnership

The City of Oldenburg partnership is a relatively new partnership that has been encouraged through the cooperation of the Eastern Cape Province with the Lower Saxony Province in Germany. In September 2012 Buffalo City took part in a Fashion Fair with Da Gama Textiles, Walter Sisulu University, Department of Sports, Arts, Recreation and Culture and the Eastern Cape Development Cooperation. The main aim of the Fair was to revive and revitalise the textile and crafting industries and, furthermore, to open doors for new talent in our city. Pieces of work by the students were modelled in Oldenburg, Germany as part of the South African Encounters 2012 Initiative hosted by the City of Oldenburg. Fashion Fair 2013 is in the pipeline, hoping to be bigger and better than 2012.

Further to this, Buffalo City signed a new agreement with the City of Oldenburg for collaboration in areas including renewable energy and climate change. This will help secure funding for skills and other programmes for collaboration.

Following the signing of the BCMM-Oldenburg agreement, the East London Industrial Zone has leveraged off the partnership, and in April 2013 signed an agreement with BFE in Oldenburg for the training of master artisans at the Master Artisan Academy of South Africa. Furthermore, and more recently, a new agreement was signed with BBS at Museumsdorf. These agreements will not only assist the IDZ to increase the possibilities of internships for students from the newly established Master Artisan Academy of South Africa, but will also improve qualifications and much needed skills of our new generation of renewable energy experts.

Leiden, Netherlands partnership

With our Dutch Partnership, Buffalo City aims to realize the Safe Park in Ward 6 of Duncan Village before the end of this financial year. The Isibindi Safe Park will be implemented in collaboration with East London High Transmission Area. The aim of the Safe Park is to provide a safe haven for vulnerable and orphaned children who will be supervised by Social Workers from the ELHTA.

China partnership (City of Qinhuangdao and Jinhua City)

The partnership with China is historically linked to the former East London TLC and King Williams Town TLC period. During this reporting period BCMM renewed its partnership agreement with Jinhua City, China. Further to that, Jinhua City businesses participated in the Automotive Week in Port Elizabeth. Discussions are currently underway with our Chinese partners to collaborate with Buffalo City in our Agricultural sector.

T 2.3.1 (a)

NATIONAL INTERGOVERNMENTAL STRUCTURES

No National IGR Structures are attended

T 2.3.1

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

BCMM is involved in the following IGR programmes and structures:

GIS Provincial Steering Committee

GIS Provincial Steering Committee is attended on a quarterly basis chaired by the Office of the Premier, Spatial Management Unit (SMU). The benefit of the meetings is that the provincial, national regional departments and local municipalities interact and share spatial data, challenges, good practices and GIS projects within the province. These meetings provide the province with the ability to comply with the Spatial Data Infrastructure Act ,2003.

Eastern Cape Department of Education

Through Buffalo City Metro's international partnerships, books have been secured from donors in Glasgow Scotland. The Eastern Cape Department of Education has partnered with the Metro to identify underprivileged schools in the Metro which do not have libraries or books to ensure a fully function library at the schools. Approximately 48 schools benefitted from the donation of books.

Department of Economic Affairs and Environment

The 5th Global Forum on Innovation and Technology Entrepreneurship was hosted by the South Africa's Department of Science and Technology, Department of Economic Affairs and Environment, and Buffalo City Metropolitan Municipality in East London, South Africa, from 26 – 30 May, 2013. The Global Forum attracted around 800 business incubator managers, policy-makers, SME entrepreneurs, financiers and development agencies from all continents for a unique south-south and north-south networking and knowledge-sharing experience. At least three councillors from the Metro attended the forum, and linkages were created with an Australian delegate - Carol Hanon of TFC Global - with interest in textiles and crafts. Visits were undertaken to Walter Sisulu University, Da Gama Textiles and Amathole Craft Hub where local craft was purchased and where two TCF Global BPW Fashion Business Scholarships – valued at US$ 500 were awarded to two members of the Amathole Craft Hub.

Office of the Premier and BRICS

South Africa hosted the 5th BRICS (Brazil, Russia, India, China and South Africa) Summit at the Durban International Convention Centre from 26-28 March 2013. This completed the first cycle of BRICS summits which are convened to seek common ground on areas of importance for these major economies. It represents spheres of political and entrepreneurial coordination, in which member countries have identified several business opportunities, economic complementarities and areas of cooperation.

The Road Show to the Eastern Cape was held on 7 & 8 March 2013. It was proposed that the event be held at the International Conference Centre in East London, Buffalo City, Eastern Cape, due to the number of target audiences invited and the suitability of the venue to accommodate the relevant numbers. The approach was in the format of panel discussion on BRICS, with various stakeholders and student community engagement on BRICS to be hosted by Walter Sisulu University. The focus gave opportunity for stakeholders to unpack BRICS and its potential in fighting the triple challenges of inequality, unemployment and poverty. These were interactive sessions. Buffalo City together with the Office of the Premier hosted the event.

In addition, BCMM has worked closely with the departments of Home Affairs, Human Settlements and, Local Government and Traditional Affairs.

T 2.3.2

RELATIONSHIPS WITH MUNICIPAL ENTITITIES

There were no functional Municipal entities operating during the reporting year.

T 2.3.3

DISTRICT INTERGOVERNMENTAL STRUCTURES

T 2.3.4

The Metro was not involved in any District IGR structures during the period under review.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Note: MSA section 17 (2): requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. Section 16 (1): states that a municipality must develop a system of municipal governance that complements formal representative governance with a system of participatory governance. Section 18 (a) - (d): requires a municipality to supply its community with information concerning municipal governance, management and development.

The goal of the Buffalo City Metro for Good Governance and Public Participation is to realize a viable and caring institution that will promote and support a consultative and participatory local government. This is in keeping with the current Municipal vision: "A responsive, people-centred and developmental City".

The following section outlines how this has been carried out in BCMM.

T 2.4.0

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

T 2.4.1

The Communications Unit continued with the implementation of its communications strategy throughout the financial year. The new Metro's communications strategy has gone through the management team for review and is progressing to Council for adoption. This strategy is aligned to the new status of the Metro.

Highlights:

The Communications Department has produced numerous communication plans for all departmental activities in the Metro. This is guided by what is contained in the Service Delivery Budget Implementation Plan (SDBIP). The main objective is to improve

communications internally and externally, through the development and institutionalization of communication plans. The communication plans comprise tools and channels of communication that are used to reach out to the communities we serve. The following major activities were conducted successfully:

1. IDP/Budget Roadshows

2. Council Open Day

3. State of the Metro Address

The above activities are critically important in the Institution and the Metro is obliged by law to communicate and encourage public participation.

In addition, the following campaigns are ongoing or in the process of being planned for implementation:

1. Illegal Connections awareness campaign: The Metro is currently electrifying informal settlements as per identified hotspots areas. Once a sizable number has been electrified, the awareness campaign, which is a soft approach, will commence. This campaign is expected to roll out in the next financial 2014/2015013/14.

2. Consumer Data Update: This is a year-long campaign by the Finance Directorate, which has made use of radio, print media, flyers and taxis to communicate this important campaign.

3. Bank changes: The critical move from Standard Bank to ABSA saw BCMM embarking on a massive awareness campaign, which yielded positive results as the transition went off smoothly.

BCMM has also convened all the quarterly meetings of the Metro Communicators' Forum. These meetings strengthen communication between sector departments in the Metro as well as empowering community development workers (CDWs). These meetings also assist the Communications Department in the improvement of communication with the communities we serve.

The BCMM Communications Unit also played a vital role in the Home Affairs-Buffalo City Stakeholders Forum. BCMM facilitated the photo-shoot of the ID photos for the fire victims of Duncan Village. The Communications Unit is currently working on the Communications Strategy for the Home Affairs campaigns within the Metro.

Challenges:

The leakage of information puts the Metro in a risky situation. Leaked information tends to mislead the public. The Communications Unit has developed a policy that is yet to be approved by Council around this matter. This is part of Media and Communications Policy.

WARD COMMITTEES

Ward Committees are the appropriate channel through which communities can lodge their complaints. In a broader sense a Ward Committee should be a communication channel for the entire community residing in the respective ward.

Major Issues Dealt with by the Ward Committee System

The following key issues were addressed through the ward committee and public meetings:

- Ward Budget allocations.

- Ward issues raised pertaining to service delivery issues per ward.

T 2.4.2

Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrator	Number of community members	Issue addressed (Yes/No)	Dates of manner of feedback given to community
Ward Committee meeting	Bi-monthly	Ward Councillor	1	10	Yes	Public meetings / Area meetings
Public meetings	Quarterly	Ward Councillor	1	All	Yes	Public meetings / Area meetings
EXCO				All	Yes	
World AIDS Day	01 Dec 2012	100		All	Yes	
State of Nation Address	14/02/2013	100		500		
Budget Speech	27/02/2013					

Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrator	Number of community members	Issue addressed (Yes/No)	Dates of manner of feedback given to community
State of Province Address	01/03/2013	2	3	400	Yes	
IDP & Budget Roadshows	11-26/ 04/2013	100		All	Yes	17/05/2013 Council Open Day
Council Open Day	17/05/2013	100		500	Yes	
State of the Metro Address	14/06/2013	100	All	500	Yes	Public meetings

T 2.4.3

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

The Municipality makes more appropriate decisions based on the priority needs of the community.

T 2.4.4

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes

Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
** Section 26 Municipal Systems Act 2000*	*T 2.5.1*

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

T 2.6.0

2.6 RISK MANAGEMENT

RISK MANAGEMENT

Note: MFMA section 62 (i) (c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management.

Risk Management is a statutory imperative which must be complied with. The Municipality is therefore required by law to develop proper systems of risk management for purposes of mitigating further risk, and to encourage and promote a risk management culture in the Institution.

Management of Legal Risk

The Legal Service Department's role within risk management is to:

Engage proactively in the development of a vibrant risk management framework;

Develop and promote strategies that assist in the achievement of the broader risk management objectives of the municipality;

Flag areas of potential risk and engage other stake holders to introduce best practice models; and

Engage meaningfully in the review processes relating to risk management.

Chapter 2

The top five risks to the municipality in terms of legal matters / litigation are:

Risk Description	Controls	Mitigation Measures
Lack of understanding of the legal and compliance framework within which the Municipality operates.	Access to LexisNexis (30 users). New compliance requirements tabled to Top Management. Policies are subjected to a compliance review. Compliance included in the induction process.	Development of a Draft Compliance Framework for the institution in conjunction with the Compliance Section, with in the current financial year being 2013/2014. Legal Services to arrange training courses on compliance and policies together with the training department.
Inadequate feedback/communication and information on critical legal issues.	Correspondence is directed to the CM's office by Departments, and legal matters are referred to the Legal Services Department. Register of legal matters maintained at Legal Services. Reporting on status of legal matters to Top Management and Council.	Memo's to be sent to management, as required, and copied to the CM. Quarterly reminders on legal process to be sent to management. Legal to develop a process manual on management of legal documents by all Departments.
Inadequate implementation of recommendations made by Legal Services.	Recommendations are documented, and the Office of the CM is copied on this.	Directors and Managers will be requested to formally respond to Legal Services on advice/ recommendations given. Legal Reports to make provisions for inputs from Departments which must indicate whether the advice is accepted or not and supporting reasons.
Non-compliance with legislation and regulations.	Access to LexisNexis (30 users). New compliance requirements tabled to Top Management. Policies are subject to a compliance review. Compliance included in the induction process. Audits on compliance performed by internal or external audit. Register of legal matters maintained at Legal Services. Reporting on status of legal matters to Top Management and Council.	Development of a Draft Compliance Framework for the institution in conjunction with the Compliance Section, with in the current financial year being 2013/2014. Legal Services to arrange training on compliance and policies together with the training department.
Non-involvement of legal and compliance in contracts and agreements.	Contracts and agreements are reviewed by Legal Services. Secondment of Mr Vumazonke to Supply Chain Management. Increased interaction between Legal and SCM Unit.	Regular and constant co-operation with the SCM Managers.

The remedy and solution here is that all the officials have to acquaint and familiarise themselves with the rules governing their work environment.

In addition, the following risks are identified across the organisation as a whole: (see overleaf)

		Consolidated Inherent Risk Assessment				Consolidated Residual Risk Assessment					
Risk Sub-Category	**Risk Description**	**Likelihood**	**Impact**	**Total**	**Controls**	**Likelihood**	**Impact**	**Total**	**Mitigation Measures/ Action Plans**	**Timeframe**	**Action Owner**
Survey	The existence of informal settlements and the threat of land invasions on land reserved for township development causes delays in the survey of such land.	5	5	25	No controls	5	5	25	The construction of TRA's to be speeded up.	2013/ 2014	Director: Planning and Economic Development
Communication	Sensitive and confidential information being leaked to the media may result in reputational damage	5	5	25	A draft media and communication policy. Sensitive information is controlled within the responsible directorate. However, re-distribution of such documents from recipients is not adequately controlled	5	5	25	Measure as documented in the Draft Media and communications policy are followed to deal with such instances.	2013/2014	Director: Executive Support Services

		Consolidated Inherent Risk Assessment				Consolidated Residual Risk Assessment					
Risk Sub-Category	**Risk Description**	**Likelihood**	**Impact**	**Total**	**Controls**	**Likelihood**	**Impact**	**Total**	**Mitigation Measures/ Action Plans**	**Timeframe**	**Action Owner**
Law Enforcement	By-laws are fragmented across BCMM result in certain areas within BCMM not subjected to the provisions of the by-laws.	5	5	25	Majority of By-laws only applicable in certain area within BCMM. (Refer for additional mitigating controls to legal services)	5	5	25	Centralization of the development and review of all by-laws (Corporate Services (Legal)	Ongoing	Director: Health and Safety
Crematoria and Cemeteries	Lack of suitable land/ crematorium being under-utilised and uncontrolled burials within municipal boundaries (rural area)	5	5	25	Existing space available is being used at municipal cemeteries. No controls other than by laws applicable	5	5	25	Investigate suitable land and promote the use of the crematorium as an alternative to conventional burial methods.	2 years	Director: Community Services
Waste Management	Illegal dumping due to distant landfill sites.	5	5	25	Currently no controls, other than the fine system. Illegal dumping is a criminal offence	5	5	25	Department to strengthen cooperation with law enforcement to enforce environmental by-laws	on-going	Director: Community Services

		Consolidated Inherent Risk Assessment				Consolidated Residual Risk Assessment					
Risk Sub-Category	**Risk Description**	**Likelihood**	**Impact**	**Total**	**Controls**	**Likelihood**	**Impact**	**Total**	**Mitigation Measures/ Action Plans**	**Timeframe**	**Action Owner**
Integrated Environmental Services	Climate Change implications (Sustainability of the City and Resources)	5	5	25	Strategy will be developed by independent service provider	5	5	25	Strategy will be developed by independent service provider	2013/2014	Director: Community Services
Electricity	Constraints to electrify informal dwellings and informal settlements.	5	5	25	1. DOE and INEP provides funding to upgrade the electrical network if it is required to supply electricity connections to low income areas. 2. A pilot project has commenced in Duncan Village.	5	5	25	Council has taken a decision to pilot electrification in Duncan Village and then roll out the programme to the whole of BCM. BCM will investigate the possibility of DOE funding the additional costs.	10 years	Director: Engineering Services
Electricity	Illegal electricity connections/ theft/ non-metered connections/ tampering.	5	5	25	A meter sweep of all domestic meters has commenced, with 14 000 already being inspected .Installation	5	5	25	The Electricity Department has an Internal Revenue Protection Section, this Section needs to be properly capacitated both inters of manpower as well as financially	10 years electrification 2 years meter sweep	Director: Engineering Services

		Consolidated Inherent Risk Assessment				Consolidated Residual Risk Assessment					
Risk Sub-Category	**Risk Description**	**Likelihood**	**Impact**	**Total**	**Controls**	**Likelihood**	**Impact**	**Total**	**Mitigation Measures/ Action Plans**	**Timeframe**	**Action Owner**
					of AMR meters has commenced for all industrial and commercial consumers.						
Human Settlements	No funding allocation for emergency housing projects (disasters - fire, storm etc)	5	4	20	Application to provincial human settlements for emergency relief.	5	4	20	This is an institutional strategic risk that the institution has to find a solution around it going forward	2014/2015	Chief Operations Officer
Roads and Storm Water	Ageing roads and storm water infrastructure.	5	4	20	Submit motivation for additional funding	5	4	20	1) Sourcing additional funding to fund backlogs 2) Source funding to carry out implementation assessment of roads has been done.	On-going exercise of infrastructure rehabilitation	Director: Engineering Services

T 2.6.1

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

Note: See Chapter 4 details of Disciplinary Action taken on cases of financial mismanagement (T 4.3.6). MSA 2000 s 83 (c) requires providers to be chosen through a process which minimizes the possibility of fraud and corruption.

The Municipality has, during the year under review, adopted a comprehensive Fraud Mitigation Strategy, which replaces the existing Fraud Policy that had been in place for a number of years. The emphasis of this strategy is on proactive preventative techniques.

The strategy sets out an aggressive and firm attitude towards fraud and corruption, undertaking to aggressively seek it out, investigate allegations, prosecute offenders, and encourage staff to report any incidents. The document is worded in such a way as to achieve "buy-in". It seeks to create a level of fraud awareness among staff and encourage them to report suspected fraud in the workplace. It highlights that the primary means of detecting fraud is a sound system of internal control. Other measures include highlighting red flags, setting out details of fraud assessment questioning, mandatory vacations, surprise audits, investigative techniques, training, etc.

It also sets out details of the "who, what, where, when, why and how" of responding to fraud or allegations of fraud.

The plan defines the "damage control" processes, sets the action plan in motion, controls the investigation, and recovery procedures. Implicit in this is the institution of disciplinary action and improved internal control procedures. It is the overall "game plan".

The emphasis is on the creation of awareness that fraud is a possibility which must not be taken lightly and that management has a duty to actively seek out fraud.

As part of the fraud prevention strategy, awareness workshops are planned for the 2013/14 financial year and departments considered at risk will be assessed to highlight areas of concern.

The Fraud Mitigation Strategy is being rolled out in the 2013 / 2014 year with a detailed investigation into the requirements of operating a Fraud Hotline as well as Fraud Awareness sessions. This will be followed up with Fraud Risk assessments in Directorates. This fraud susceptibility assessment is intended to highlight any "fraud friendliness" in the control environment. The work in this area is the subject of the implementation plan.

The Municipality has been reluctant to introduce this mechanism without the capacity to handle the investigations that would follow its introduction. Notwithstanding, tips and reports are followed up.

The Municipality has an established Internal Audit Unit, which conducts regular reviews of systems of control as well as compliance with legislated provisions and policies. As set out in part 2.6 above, key risks facing the Municipality are contained in a Risk register. The Internal Audit Plan is derived from the risks contained in this register.

Aligned therewith, the Municipality established an Audit Committee a number of years ago. The membership of the Committee is from outside the Municipality (i.e. no Councillors or officials form part of this Committee) and it is considered independent. This Committee reports directly to Council.

As a general principle, segregation of duties is of common application to reduce the likelihood of irregularities. This process is under constant review.

T 2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

Note: MFMA section 110 - 119; SCM Regulations 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.

T 2.8.1

BCMM adopted its Supply Chain Management Policy in 2009, which is reviewed annually and was last reviewed in June 2012. The system of the upply Chain Management Unit at BCMM consists of the following sections:

Acquisitions Section

Contracts and Risk Section

Logistics and Warehousing Section

An SCM Procedure Manual has been developed in draft stage, which will be finally approved by the end of 2012/13. An SCM Movable Asset Disposal Procedure and a Committee are in

place to ensure proper disposal of Municipal assets. The SCM institution uses a quotation and an open bid system to procure services and goods for the service delivery requirements of the institution. A total of 281 tenders were awarded under the open bid system in 2012/2013, at a total value of R1 026 992 836.59.

The institution has all three Supply Chain Management Committees (the BSC, BEC and BAC), appointed with properly written and signed delegations.

The following were additional notable achievements for the SCM unit during the 2012/13 financial Year:

Publication of awards in the Municipal website as per MFMA requirements;

Development of a diagnostic report for the centralization of SCM stores;

Implementation of a Vendor database system (E-Supplier);

Appointment in June 2013 of service provider for the E- Procurement Project, to eliminate manual systems;

Appointment in June 2013 of a service provider for the E-Fuel System, to eliminate pilferage and unaccounted for fuel losses;

Formal appointments and delegations to bid committee members by the Accounting Officer;

Movement of Trade Creditors section from SCM to Asset & Risk Unit, for separation of duties;

Skills audit assessment of the Supply Chain Management personnel;

Completion of the contracts and commitment registers;

Complete archiving and safe storage of tender documentation.

Challenges at Supply Chain Management Unit

BCMM SCM Unit Structure is not in line with SCM system as per the MFMA ;

Existence of satellite stores within the Metro results in stock inventory discrepancy;

Manual system of SCM procurement;

Irregular expenditure transaction within the supply chain system as a decentralized system, and non-separation of duties or powers;

Non- compliance with all the SCM system's requirements in line with the implementation checklist as set out in National Treasury MFMA Circular 40.

Remedial action

Adoption and implementation of the proposed structure in line with the MFMA requirements;

Integration of all stores under SCM (implementation of the diagnostic report recommendations);

Implementation of an automated SCM Procurement System;

Centralization of procurement processes through SCM and full implementation of a system of delegation and separation of duties and powers, eliminating irregular expenditure;

To be fully compliant with all the SCM system's requirements, in line with the implementation checklist as set in National Treasury MFMA Circular 40, by the end of 2013/14.

2.9 BY-LAWS

Newly Developed	Revised	Public Participation conducted prior to by-laws (yes/no)	Dates of public participation	By-laws Gazetted (yes/no)	Date of Publication
Draft Liquor By-law	Yes	Yes		No	N/A

COMMENT ON BY-LAWS:

Note: MSA 2000 s11 (3) (m) provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation.
T 2.9.1.1

The review of the Municipality's by-laws has been projectised. BCMM is currently in the process of appointing a project manager who will:

Interact with the various directorates to establish their needs in this regard.

Do research on the subject matter of the by-laws.

Draft the by-laws.

Verify with the relevant directorates.

Workshop the by-laws with officials and councillors.

Engage stakeholders in public participation.

Have the by-laws adopted by Council; and

Arrange for promulgation of the by-laws.

It must be noted that this is a multi-year project.

2.10 KNOWLEDGE MANAGEMENT

BCMM has included the entire ambit of Knowledge Management under this section, which was previously referred to as "Websites". The municipal website is one of a number of Knowledge Management tools available to the Metro.

The Metro website is currently under construction. There are a number of issues that need to be included on the website but are not, because of the limited scope of work within the current website contract. This contract has lapsed and the institution has allowed a grace period for the migration of data. The BCMM website will be maintained in- house for a period of two years until the transition to a fully fledged Metropolitan Municipality is realized.

2.10 (A) WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipal's/ Entity's Website	**Yes/No**	**Publishing Date**
Current annual and adjustments budgets and all budgets-related documents	Yes	2011/12 and 2012/13
All budget-related policies	Yes	2012
The previous annual report	Yes	2011/12
The annual report (2011/2012) published/to be published	Yes	2012/13
All current performance required in terms of section 57(1)(b) of the municipal systems act and resulting scorecards	Yes	2010/11
All service delivery agreements	Yes	2008/09
All long term borrowing contracts	Yes	Monthly
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14(2) or (4) during the year	No	
Contracts agreed in 2012/2013 to which subsection (1) of section 33 apply, subject to subsection (3) of the section	No	
Public-private partnership agreements referred to section 120	Yes	2010
All quarterly reports tabled in council in terms of section 52(d) during Year	Yes	2007/08

COMMENT ON MUNICIPAL WEBSITE CONTENT AND ACCESS:

The Communications Department is struggling to get information fed into the website. It is critical that each directorate assigns someone to assist with the loading of documents on the website, especially those that are mandated by law to be made available on the website.

Currently the Metro only has public access to the website through the Youth Advisory Centres.

T 2.10.1.1

2.10 (B) KNOWLEDGE MANAGEMENT AND RESEARCH

The Knowledge Management and Research Unit is responsible for four focal areas at BCMM:

Research: Conducting, Coordinating and Facilitating Research institution-wide.

Policy: Assisting the policy owners of various directorates with the development, alignment, review and maintenance of all policies

Knowledge Management:

Coordinating the implementation of a Knowledge Management Strategy organization-wide in order to ensure that:

BCMM institutional memory is captured and shared;

Case studies are documented on best practices, lessons learnt, weaknesses and innovative projects for learning and sharing;

Knowledge assets are stored on a centralized knowledge portal for ease of access; and

Ensuring that a knowledge sharing culture and environment is created and nurtured.

Strategic external questionnaire administration: Administering, coordinating and consolidating of strategic questionnaires and information from external stakeholders and return of all completed and quality assured questionnaire to respective senders.

The performance of the Knowledge Management and Research Unit in the 2012/13 Financial Year against the set targets in the IDP is reflected in the table below:

OBJECTIVE	KEY PERFORMANCE INDICATORS (KPI)	BASELINE	TARGET 12/13	ACHIEVEMENT
Grow the Municipality's Knowledge, creativity and innovative base and implementation of KM Strategy	Number of knowledge sharing session held	No baseline	1 Knowledge sharing session	Highly successful Knowledge Sharing Session of South African Cities Network (SACN) Knowledge Management Reference Group (KMRG) held on 12-13 June 2013
	Number of Case Studies documented	3 Case Studies Documented	1 Case Study Documented	Case Study on Better Practice: Achievement of Blue Drop Water Quality Status documented, for replication at other local government institutions. The Case Study documented how BCMM has been the best performing Municipality in the Eastern Cape for 3 years at its 2 major Water Treatment Plants, Umzonyana and King Williams Town, achieving Gold Status for Water Quality by the Department of Water Affairs (DWA) in terms of the Blue Drop Certification process.

The following were additional notable achievements for the Knowledge Management and Research Unit during the 2012/13 financial Year:

Identification of Basic KM Training for Councillors as a "Best Practice"

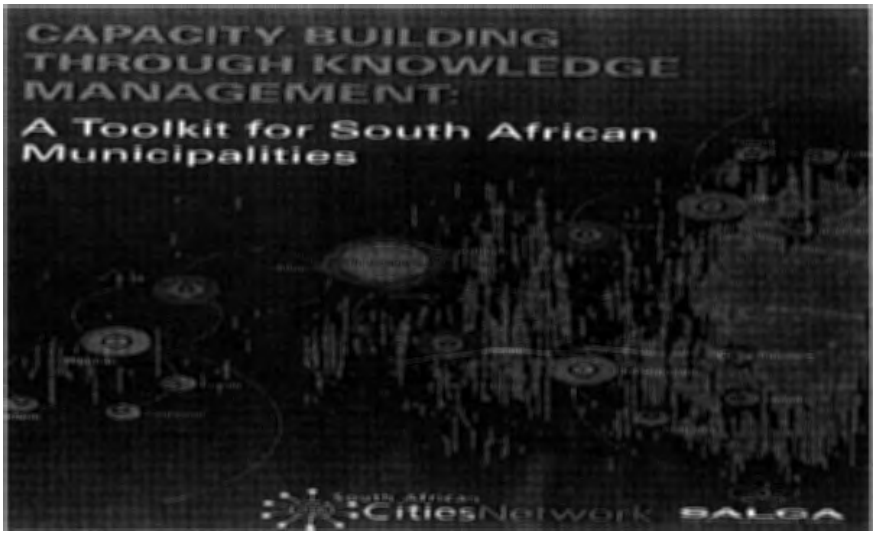
The Basic KM Councillor Training conducted during the 2011/12 Financial Year was identified as a "Better Practice" in March 2013, by The South African Local Government Association (SALGA), South African Cities Network (SACN) and the Department of Cooperative Government and Traditional Affairs (COGTA), for replication in other similar settings.

In this respect, BCMM was the first Municipality in South Africa to undertake Basic KM Training for councillors at NQF Level 5, as part of its implementation of the institutional KM Framework & Strategy.

BCMM has also now established a partnership with COGTA, to include this training as part of their Capacity Building Programme for councillors in all local governments throughout the country.

Knowledge Management (KM) Toolkit

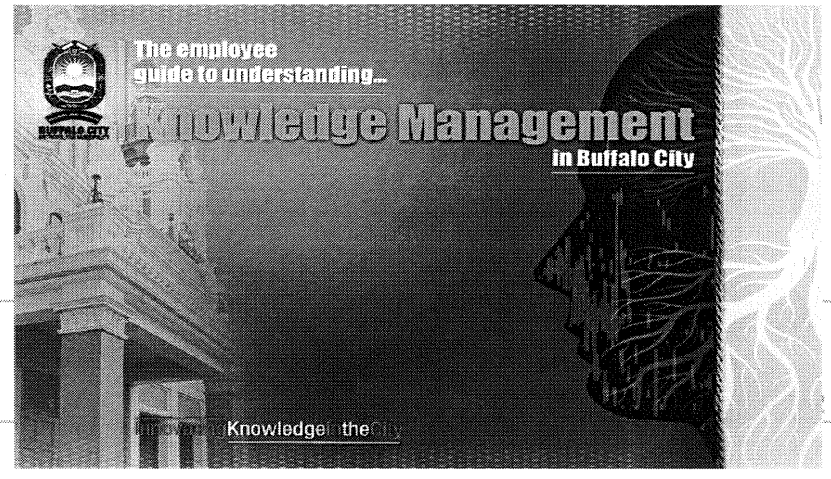
BCMM was also intricately involved in the process of developing the South African Cities Network (SACN)/South African Local Government Association (SALGA) Toolkit for KM Managers in Local Government in South Africa.



SACN Urban indicators Scoping Exercise

BCMM was also specifically singled out for the valuable assistance and contribution made with respect to the SACN Urban Indicators Scoping Exercise

Production of Knowledge Management (KM) Employee Guide (Booklet) for BCMM



In order to institutionalise the practice of KM at BCMM, the Knowledge Management and Research Unit has produced a booklet for all BCMM Employees,

summarising the main aspects of KM, its relevance for their jobs and how they could implement the concept

Census 2011 Packaging for BCMM

The Knowledge Management (KM) and Research Unit in the 2012/13 Financial Year also completed the exercise of packaging and disseminating the Census 2011 data and information of relevance to BCMM; and presenting such data up to the Ward Level, where the relevant data was extracted and analyzed for each of the 50 Wards of BCMM. This knowledge was then captured in the form of a Booklet covering the entire municipal jurisdiction.



Facilitation of Data Collection by Students at BCMM

During the 2012/13 Financial year, the Knowledge Management and Research Unit has processed a total of 26 requests from Postgraduate Candidates and Students, registered for Honours, Masters and Doctoral degrees at various Academic Institutions across the country, and internationally, to conduct part of or their entire research study at BCMM, as per the table below:

Course of Study	Research Topic	Relevant Dept/s	Comment
BAdmin (Hons)	The causes, constraints and contribution of the informal sector to socio-economic development of Buffalo City. A case study of informal trade in King Williams Town	LED	In Progress
MPA	Enhancing the accountability of Ward Councillors through Public Participation in Buffalo City Metropolitan Municipality (BCMM)	Public Participation	In Progress
PhD	Creating wealth on land and environmental sustainability: the case of East London Industrial Development Zone (IDZ), South Africa	LED, IEMP	In Progress
M. Dev. Studies	Managed Land Settlement as a mechanism for the provision of sustainable settlements	Housing, Land Admin	In Progress
B Admin (Hons)	Performance Management System at BCMM	IDP, HR	In Progress

Course of Study	Research Topic	Relevant Dept/s	Comment
PhD (Sociology)	The cultural and institutional impacts of progressive women's movements: a comparative study of East London and Cape Town	Special Programmes	In Progress
PhD (Education)	Appropriateness of municipal workers' job behaviour and performance in the Buffalo City Metropolitan Municipality (BCMM)	HR	In Progress
MPA	Skills Development Programmes in addressing unemployment in Buffalo City Metropolitan Area	HR	In Progress
B Admin (Hons) Public Admin	Implementation of Development Planning Policy for Poverty Alleviation in BCMM	Dev. Planning, LED	In Progress
BSC (Hons)	People's perceptions and attitudes towards the public urban green spaces in King Williams Town.	IEMP, Finance	In Progress
B Admin (Hons)	Public Participation in Local Economic Development (LED) in Buffalo City Metropolitan Municipality (BCMM)	LED, Public Participation	In Progress
BSC (Hons) (Environ. Science)	Water use and conservation by households of different economic status in the Amatola water system	Water, Sanitation & Scientific Services	In Progress
B Admin (Hons)	The effectiveness of Ward Committees as Public Participation Mechanisms: A case study of Bhisho	Public Participation	In Progress
PhD (Public Admin)	An Evaluation of Women's Participation in housing delivery in South Africa- the case of Mdantsane Township, Eastern Cape Province since 1962, pre-1994 up 2012 in the following units: N.U.1 to N.U.9	Housing	In Progress
MBA	Small Businesses in the Buffalo City Metro Municipality (BCMM)	LED	In Progress
MA (Dev. Studies)	An Evaluation of the Mdantsane Urban Renewal Project (MURP) as a mechanism to alleviate poverty	Urban Renewal	In Progress
MPA	Assessment of SCM Policy at KWT district of BCMM and its effects on Service Delivery in the Eastern Cape	SCM	In Progress
MBA	An Investigation into the Contribution of Small Scale Business with Job Creation in King Williams Town	LED	In Progress
M.Soc Science (Sociology)	Designed to Disable/ assessing re disability Friendliness of Public Amenities: BCMM	Special Programmes	In Progress
MBA	Investigating challenges faced by Water Service Authorities towards achieving Green Drop Certification for Wastewater Treatment Catchment Systems	Water, Sanitation and Scientific Services	In Progress
MPA	The Impact of the Mdantsane Urban Renewal Programme (MURP) on the lives and livelihoods of the beneficiaries: The Case of Buffalo City Metropolitan Municipality (BCMM)	Urban Renewal	In Progress
MPA	The Role of Tourism in Promoting Economic Development in BCMM	LED	In Progress
MBA	Adequacy of Cash Flow Forecasting for Management	Finance	In Progress

Course of Study	Research Topic	Relevant Dept/s	Comment
	of South African Municipalities: A Case Study Approach		
D Phil	Leadership and Accountability of ward Councillors in South African Municipalities: a Case Study of Buffalo City Metropolitan Municipality	Office of the Speaker	In Progress
MPA	Enhancing Public Participation: on the Ward Committee System: The case of Buffalo City Metropolitan Municipality	Public Participation	Completed : Copy of Research Report Provided to Unit & disseminated to Dept.
B Admin (Hons)	Effectiveness of Local Economic Development Strategies in Sustainable Employment	LED	Completed : Copy of Research Report Provided to Unit & disseminated to Dept.

Administration of Strategic Questionnaires

The Unit has received, processed and administered a total of 11 (eleven) completed strategic external Questionnaires without any negative reports, during the 2012/13 financial year from external stakeholders, as indicated in the table below:

ORGANISATION	THEME
South African Cities Network	Municipal Knowledge Management Survey
Statistics SA	Financial Census
Department of Science and Technology	National Research and Experimental Development
Statistics SA	Non-Financial Census
Department of Rural Development and Land Reform	Audit of Spatial Planning and Land Use Management System and Capacity Review of Town and Regional Planning and GIS Specialists for all Districts and Local Municipalities Country-wide
South African Cities Network	Smart Cities
Department of Trade and Industry	Broad Bases Black Economic Empowerment (BB-BEE)
PALAMA	Municipal Employee Capacity Survey
National Treasury	MTREF Annual Financial Information
Department of Science and Technology	Waste Sector Survey
Department of Justice and Constitutional Development	Promotion of Access to Information Act Compliance Questionnaire

CHALLENGES

Insufficient staffing levels from the inception of the Unit in 2005 continue to impede the effective and efficient implementation of the institutional KM Framework and Strategy, as well as the research, policy and multi-media functionality of the Unit.

REMEDIAL ACTIONS

Council acceptance and implementation of Unit's proposed organisational Micro-Structure will assist in remedying this challenge.

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFCATION LEVELS

No public satisfaction surveys were undertaken during the 2012-2013 financial year.

T 2.11.1

Chapter 3

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

INTRODUCTION

The BCMM is quite advanced in providing the prescribed basic service per household, as it relates to water, sanitation and electricity. This has included making the necessary provision for informal settlements in the interest of increasing access for all citizens of the Metro. The rapid growth of urban centres is putting pressure on the municipality to increase its capacity in order to respond to the service calls timeously. Provision of water, sanitation and electricity services is dispensed by using internal capacity within the Metro, as well as contractors which are procured through the supply-chain management process. Bulk treated water and electricity is largely sourced from Amatola Water and Eskom, respectively. There are no contracts with state entities for execution of powers and functions assigned to the Metro at this stage, for the above mentioned services. All indigent consumers are provided free basic services through this model of operations and service provision.

T 3.0.1

COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of the free basic services provided.

INTRODUCTION TO BASIC SERVICES

T 3.1.0

BCMM provides basic services according to the acceptable standards for settlements within the urban edge and those outside the urban edge. The following provisions are made:

WATER SERVICES

Outside the Urban Edge

Outside of the Urban Edge, the basic level of service (i.e. communal standpipes to RDP standards) is provided.

Within the Urban Edge

The level of service for households within the Urban Edge is as follows:

Target level: erf connection and water borne sanitation; and

Minimum level: yard connection

SANITATION SERVICES

Within the Urban Edge

Informal settlements:

Essential sanitation services are provided by BCMM's Community Services Department to existing informal settlements in the form of chemical toilets (planned to be replaced with waterborne sanitation).

The Sanitation Department provided movable ablution blocks in Duncan Village. The programme is being implemented throughout BCMM.

The provision of internal services to new RDP and social housing is undertaken by the Housing Branch as part of the housing programme. The Engineering Department is, however, responsible for the provision of the bulk support services to these developments.

"Rural" settlements (no formal planning):

The sanitation unit is rolling out VIPs and urine diversion toilets to meet the national target of providing basic sanitation services to all.

Outside Urban Edge

No essential services are provided;

The provision of basic services is undertaken by the Engineering Department; and

The Sanitation Department is in the process of investigating various options with regards to the servicing of Ducats. The current installations were maintained and training was provided to the community on the use thereof.

ELECTRICITY

BCMM only provides electrical connections to settlement areas within the urban edge. Eskom is responsible for the provision of electrical connections outside of the urban edge.

The BCMM provided a 40 amp RDP service connection which is higher than the normal 20 amps RDP service connection. Access to this supply for low income consumers is through the INEP funding, BCMM counter funding and an approved subsidized connection fee. The

council has approved that indigent consumers be provided with a service connection free of any charges.

SOLID WASTE MANAGEMENT

Solid Waste Management has included, to date:

Street sweeping;

Refuse removal;

Landfills;

Waste minimization; and

Public conveniences

Street sweeping occurs across the Metro, with a specific focus on the high volume areas.

During the year under review, 46% of all households were provided with waste removal services in line with national standards. In some cases, road- infrastructure limits the accessibility of residential (usually informal) areas. In some instances, waste reception areas are provided to enable waste collection.

BCMM has two permitted landfill sites, although these are experiencing airspace challenges. A third cell at the Roundhill landfill site is in the process of being established. In addition, BCMM operates three garden refuse stations and has initiated the establishment of garden refuse transfer containers across the Metro.

Public conveniences are in the process of being transferred to the Engineering Department as they are best defined in this Department in terms of the legislation and delegation framework.

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION
Note: Recent legislation includes the Water Services Act 1997 and the General Enabling Act 2005

WATER SERVICES

Chapter 3

BCMM is both the Water Services Authority (WSA) for its entire area of jurisdiction and the Water Services Provider (WSP) for a large percentage of the area. BCMM has an established WSA in place, which has the ability and resources to undertake the WSA functions in its current format.

As the WSP, BCMM is the retail WSP for its entire area of jurisdiction and the bulk WSP for three of the six, surface water supply areas servicing BCMM, and all the groundwater sources. Amatola Water is an external bulk WSP contracted to BCMM to provide bulk portable water to the remaining three surface water supply areas, delivering 40% of the total volumes of potable water consumed within BCMM. In addition, Amatola Water also delivers raw water in bulk to both the BCMM (supply to the KWT water treatment plant) and Da Gama Textiles in the KWT area. A service level agreement exists between BCMM and Amatola Water in terms of the provision of bulk potable water, by the latter, to BCMM.

The Department of Water Affairs (DWA) has shown interest in, and is giving support to, WSA and WSP functions in municipalities. Representatives from DWA have visited the BCMM Water Services Department with the view to guiding and assisting this process going forward. The Department is busy rationalizing its structures in terms of this. Pertinent factors to take into account are the compliances with Blue and Green Drop Certification, DWA initiatives to reduce the number of Water Boards across the country, and the probability of Regional Water Authorities.

Key areas requiring attention in BCMM include the following:

✓ Ability/mechanisms to ensure compliance with the by -laws;

✓ Development and implementation of a WC/WDM strategy;

✓ Development of a mechanism to manage and monitor the implementation of the WSDP; and

✓ Establishment of WSA staff capacity and systems.

BCMM has recently completed the preparation of a WSA capacity building business plan, based on which, funding has been made available to address some of the identified capacity building requirements.

Chapter 3

WATER RESOURCES PROFILE

Water Supply Schemes

BCMM is currently serviced by 4 regional surface water supply schemes located primarily within BCMM; 2 surface regional water supply schemes located primarily outside of BCMM but feeding portions of BCMM; 1 regional groundwater scheme and a number of smaller local groundwater schemes.

The Amatole Bulk Water Supply System (ABWSS), which comprises the dams and associated infrastructure on the Upper Kubusi, Nahoon and Buffalo Rivers, is the main raw water supply system servicing the BCMM, serving some 82% of the population via the following regional water supply schemes (RWSS):

Upper Buffalo RWSS;

Middle Buffalo RWSS; and

Lower Buffalo RWSS (includes extensions namely; Newlands RWSS and Ncera Coastal RWSS).

The Sandile and the Peddie RWSS's, service around 14% of the BCMM population (located in the Dimbaza and Chalumna areas respectively). The groundwater supply schemes service the balance of the population, located in rural villages to the north of KWT and several of the coastal resorts to the west of East London.

The ABWSS, which also services consumers in the Amahlati and Ngqushwa municipal areas, has a system yield of 100.1 million m^3/a, when operated in accordance with the approved operating rules.

Upper Buffalo RWSS:

The Upper Buffalo RWSS is stressed from a water resource perspective, with supplies to the KWT area already being augmented from the Middle Buffalo RWSS.

The KWT-WTP is operating at capacity, as is the raw water conveyance main between Maden/Rooikrantz Dams and the WTP.

BCMM are in the initial phases of addressing the above constraints by establishing a regional water treatment plant in the Kei Road area (which will feed into the KWT area via Bhisho).

Middle Buffalo RWSS:

The Laing Dam WTP is operating near capacity, with the conveyance infrastructure between the Laing Dam WTP and the Bhisho Reservoirs, as well as the Berlin Reservoirs, currently at capacity.

Lower Buffalo RWSS:

The following are the key infrastructure constraints:

The conveyance capacity of the Buffalo River pumping system;

The Umzonyana WTP is operating at or near capacity;

The absence of a dedicated bulk supply system for large parts of East London between the Buffalo and Nahoon Rivers;

High water loses in certain areas;

Conveyance capacity between the Umzonyana WTP and the Dawn Reservoirs, as well as the lack of a dedicated bulk supply system between the Dawn and Cambridge Reservoirs;

The Nahoon WTP is operating at or near capacity; and

Conveyance constraints between the Cuttings and Damspot Reservoirs

BCMM have, as a result, initiated projects to:

Upgrade the capacity of the Buffalo River pumping system;

Upgrade the capacity of the Umzonyana WTP;

Engaged Amatola Water to investigate the viability of a new dedicated bulk main between the Nahoon WTP and the Quenera area; and

Reduce water losses within the network.

Amatola Water is also in the process of upgrading the capacity of the Nahoon WTP.

Sandile and Peddie RWSS:

The Keiskamama System services some 15% of the BCMM population via the Sandile and Peddie RWSS, which predominantly service consumers in the Nkonkobe and Ngqushwa municipal areas.

The Sandile WTP is currently operating at capacity. There are however significant leaks on the scheme, in particular leaks beyond the meter in the Dimbaza area. BCMM have as a result initiated several WC/WDM projects within the area.

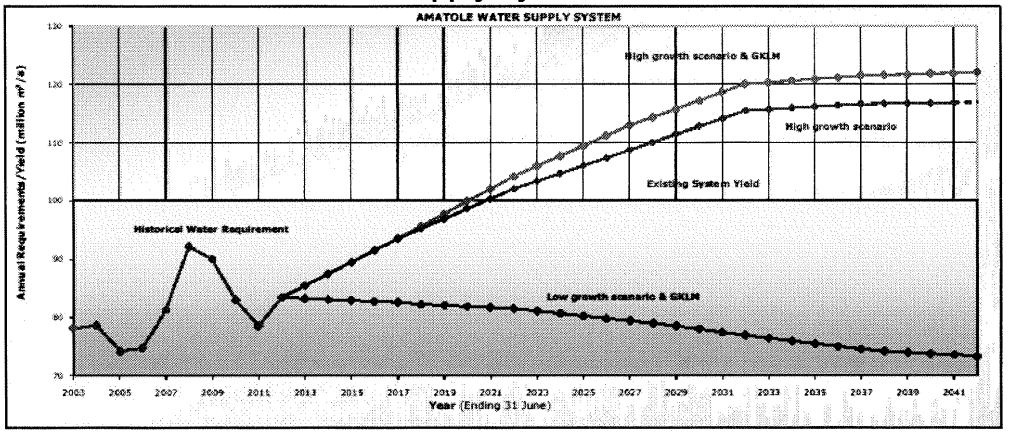
Although certain parts of the Peddie scheme are at or close to capacity, no supply constraints are experienced at present.

Water Balance:

DWA have initiated the Amatole Reconciliation Strategy (ARS) to ensure a reconciliation of predicted water requirement with supply available, from the ABWSS over a 30-year planning horizon. A committee of relevant stakeholders including BCMM and led by DWA: National Water Resource Planning, is now established to ensure that the strategies are implemented and periodically reviewed.

The water balance for the ABWSS as at 2012 is as presented below:

Amatole Bulk Water Supply System: Water Balance 2012



The groundwater potential of the area is generally poor with boreholes having low yields and poor water quality, therefore groundwater is not suitable for large scale use.

BCMM is reliant on bulk raw water (for KWT water treatment plant), as well as bulk potable water purchases from Amatola Water, to service its supply area. Current (2012/13) usage is as follows:

	2011/12	2012/13
Raw water purchases	4,133 million m^3/a	3,752 million m^3/a
Potable water purchases		
Urban	21,026 million m^3/a	21,356 million m^3/a
Rural	2,400 million m^3/a	2,729 million m^3/a
TOTAL	**27,559 million m^3/a**	**27,837 million m^3/a**

Return Flows

Point source return flows emanate from 7 waste water treatment works (WWTW) and 2 facultative ponds systems. Return flows are currently as follows:

Upstream of Laing Dam	6,053 million m^3/a
Upstream of Bridledrift Dam	0,000 million m^3/a
Downstream of Bridledrift Dam	8,186 million m^3/a (to waste)
Upstream of Nahoon Dam	0,291 million m^3/a

The Gonubie, East Bank and West Bank works discharge some 20,584 million m^3/annum of effluent into the sea.

Return flows into dams are not expected to increase significantly in the short- to medium-term, despite the anticipated housing growth and high levels of service to be provided, as the bulk of the areas identified for development fall within the catchment areas of the Mdantsane, Reeston, Central, East Bank, Gonubie and West Bank works (all discharge downstream of dams). Furthermore, water efficiency and water reuse initiatives are anticipated to increase in the short to medium-term.

The effluent discharged downstream of dams or directly into the sea is targeted in terms of the Amatole Reconciliation Strategy to augment system yield.

Water Quality

The waters in the Buffalo and Nahoon Rivers are subject to eutrophication and water hyacinth has established in the non-tidal reach of the Nahoon River below the Nahoon Dam. This is primarily as a result of high nutrient levels in these rivers due to industrial (point source) and domestic (point and diffuse source) effluent discharge into the rivers, as well as run-off from agricultural lands (diffuse source). This is by- and- large a result of the following:

Wastewater treatment works generally operating at or beyond capacity (often as a result of water wastage and inefficient use in their respective catchments); and

Inadequate sanitation facilities (rural and informal settlements).

The above trends are likely to remain in the short- to-medium-term, unless significant investment is made in WC/WCM; wastewater infrastructure upgrade; provision of rural sanitation, and the delivery of RDP housing.

There is also significant pollution emanating from the stormwater networks and run-off from the informal settlement areas.

BLUE DROP STATUS

Buffalo City Metropolitan Municipality is the best performing municipality in Eastern Cape Province with support from Amatole Water Board as Water Services Provider. The Municipal Blue Drop Score of 92.55% was achieved.

WATER CONSERVATION AND DEMAND MANAGEMENT

BCMM adopted a Water Conservation and Water Demand Management (WC/WDM) Strategy in 2012, which targets a raw water saving of 1.61 million m^3/a and a potable water savings of 4,67 million m^3/a over a 5 year period, at a cost of R131,121 million. The Strategy focuses on:

Reduction of non-revenue water volumes

Mains replacement (old AC pipes) and leaks repair

Universal metering, billing, credit control and debt collection

Increasing the volume of billed/metered consumption

Universal metering

Meter maintenance and repair

Reduction of raw water losses at dams and water treatment plants

Metering, operational control and waste water recovery

Promotion of water use efficiency

Community awareness programmes

By-laws (water efficient fittings for new houses)

Enhance institution capacity

Election of a political Champion

Enhanced staffing and budgets

Routine water balances

WC/WDM is identified as the key intervention in terms of the Amatole Reconciliation Strategy to enable BCMM to meet its short- to- medium-term development objectives from a water resource perspective.

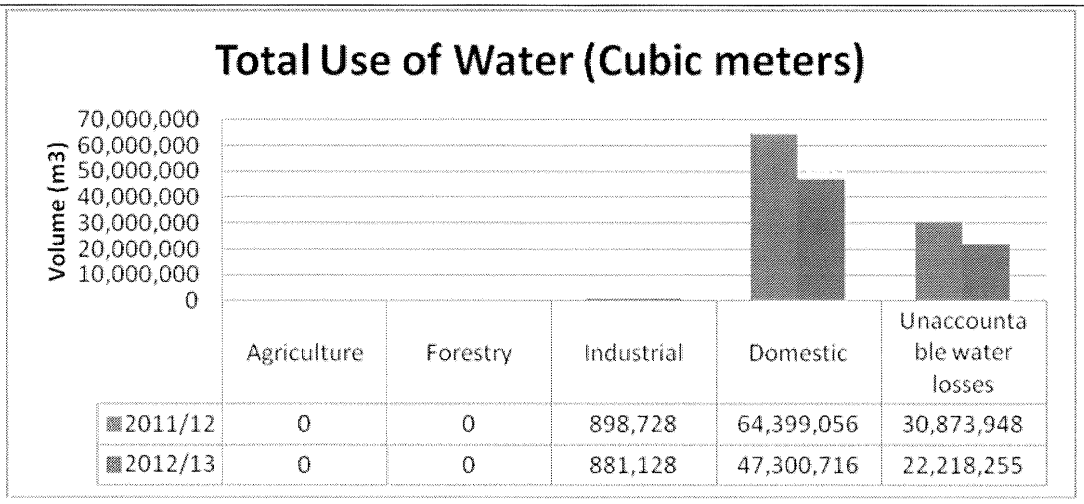
DWA have advised that no new surface water supplies would be considered for the region, unless BCMM achieve 100% of the savings targeted in terms of the WC/WDM Strategy.

Given the existing infrastructure and financial constraints facing BCMM, WC/WDM is key to BCMM delivering on its short- to medium-term development objectives.

WATER USE PROFILE

Total Use of Water by Sector (cubic meters)					
	Agriculture	**Forestry**	**Industrial**	**Domestic**	**Unaccountable water losses**
2011/12	0	0	898 728	64 399 056	30 873 948
2012/13	0	0	881 128	47 300 716	22 218 255

T 3.1.2



T 3.1.2.1

COMMENT ON WATER USE BY SECTOR:

As part of the ongoing Amatole Reconciliation Strategy, a wide variety of water requirement scenarios were determined for domestic, industrial and agricultural consumers within the ABWSS supply area. However the function of water provision to agriculture and forestry is not the function of the BCMM, as it is provided by the DWA. These scenarios take the following into consideration:

The Census and Dwelling Count population figures;

Various future population growth projections;

Low, intermediate and high domestic water unit demands to represent a variety of levels of service options for low income households; and

Low, intermediate and high industrial water requirements based on various levels of developments and accepted unit demands.

The historical and projected water requirements are reviewed on an annual basis as part of the Amatole Reconciliation Strategy to ensure that the requisite planning is adequately advanced, so that the projected water requirements can be met from supplies available over a 30-year planning period.

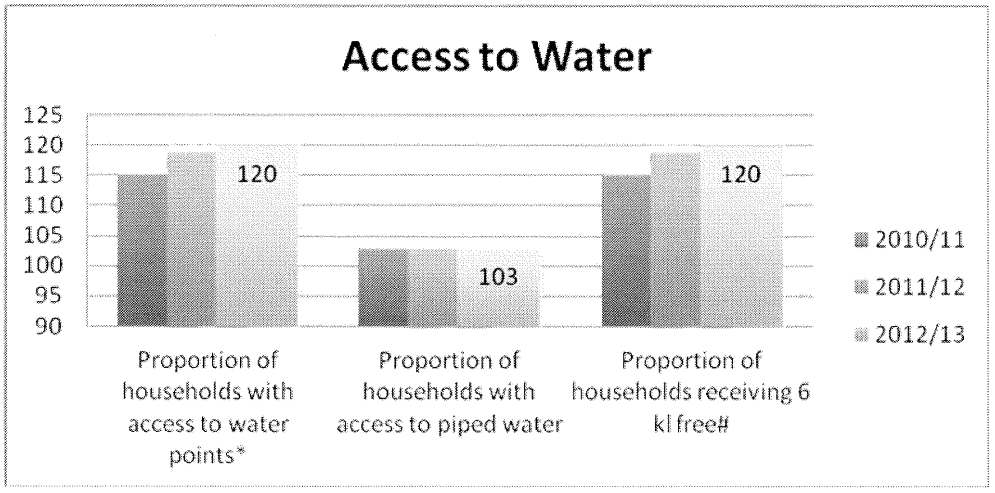
T 3.1.2.2

Chapter 3

WATER SERVICE DELIVERY LEVELS

Water Service Delivery Levels				Households
Description	2009/10	2010/11	2011/12	2012/13
	Actual No.(000)	Actual No.(000)	Actual No.(000)	Actual No.(000)
Water: **(above min level)**				
Piped water inside dwelling	103	103	103	103
Piped water inside yard (but not in dwelling)	–	–	–	–
Using public tap (within 200m from dwelling)	114	115	119	120
Other water supply (within 200m)	5	5	5	5
Minimum Service Level and Above sub-total	222	223	227	228
Minimum Service Level and Above Percentage	97%	97%	98%	98%
Water: **(below min level)**				
Using public tap (more than 200m from dwelling)	1	1	1	1
Other water supply (more than 200m from dwelling				
No water supply	6	5	3	3
Below Minimum Service Level sub-total	7	6	4	4
Below Minimum Service Level Percentage	3%	3%	2%	2%
Total number of households*	**229**	**229**	**231**	**232**
** - To include informal settlements*				*T 3.1.3*

Households - Water Service Delivery Levels below the minimum						Households
Description	2009/10	2010/11	2011/12	2012/13		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households	103	203	103	103	103	103
Households below minimum service level	5	5	5	5	5	5
Proportion of households below minimum service level	5%	2%	5%	5%	5%	5%
Informal Settlements						
Total households	114	115	119	120	120	120
Households below minimum service level	7	6	4	4	4	4
Proportion of households below minimum service level	6%	5%	3%	3%	3%	3%
						T 3.1.4



** Means access to 25 litres of potable water per day supplied within 200m of a household and with a minimum flow of 10 litres per minute*
6,000 litres of potable water supplied per formal connection per month

Access to Water			
	Proportion of households with access to water points*	**Proportion of households with access to piped water**	**Proportion of households receiving 6 kl free#**
2010/11	115	103	115
2011/12	119	103	119
2012/13	120	103	120
			T 3.1.5

Water Service Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2011/12**		**2012/13**			**2013/14**	**2014/15**	**2015/16**
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators **(i)**	**(ii)**	***Previous Year** **(iii)**	**(iv)**	***Previous Year** **(v)**	***Current Year** **(vi)**	**(vii)**	***Current Year** **(viii)**	***Current Year** **(ix)**	***Following Year** **(x)**
Service Objective: To ensure that BCMM remains financially viable									
Reduce unaccounted for water in terms of water losses	% reduction in unaccounted for water in terms of systems losses	40	47	47	40%	45%	35	30	25
Number of municipal unplanned water interruptions (exceeding 24 hours)		-	-	-	4	1			
To ensure that water and sanitation systems are adequately resourced, well maintained and efficiently functioning									
Reduction in the water backlog and increase in the number of consumer units with access to basic water and sanitation services	Number of households in receipt of at least a potable water supply				226,012	226,026	219 332	220 832	223 568
Access to potable water	Percentage compliance with drinking water quality standards				95%	100%	98	99	100
	Number of water services points installed for informal settlements dwellers within a 200m radius				30	97	-	-	-

Water Service Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2011/12**		**2012/13**			**2013/14**	**2014/15**	**2015/16**
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators **(i)**	**(ii)**	***Previous Year** **(iii)**	**(iv)**	***Previous Year** **(v)**	***Current Year** **(vi)**	**(vii)**	***Current Year** **(viii)**	***Current Year** **(ix)**	***Following Year** **(x)**
	Number of new households (RDP) provided with water connections				1105	1543	-	-	-
To ensure a seamless and coordinated provision of municipal services									
Retain four(4) Blue Drop Status treatment works	Umzonyana, Laing, Nahoon and KWT Water treatment works	2	2	2	4	4	4	4	4

T 3.1.6

Employees: Water Services					
Job Level	Year -1	Year 2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		172	156	16	9%
4 - 6		61	55	7	11%
7 - 9		42	30	12	29%
10 - 12		77	60	17	22%
13 - 15		9	6	3	33%
16 - 18		3			0%
19 - 20		0			#DIV/0!
Total		364	307	55	15%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T3.1.7*

Financial Performance Year 0: Water Services					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	327,477	317,902	323,393	401,252	21%
Expenditure:					
Employees	63,685	71,511	71,169	70,807	-1%
Repairs and Maintenance	37,178	25,546	25,561	27,135	6%
Other	289,968	262,256	269,693	289,540	9%
Total Operational Expenditure	390,832	359,313	366,422	387,482	7%
Net Operational Expenditure	63,355	41,411	43,029	(13,770)	401%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. *T 3.1.8*

Capital Expenditure 2012/2013: Water Services					R' 000
Capital Projects	2012/2013				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	30,800,000	93,721,851	97,633,279	0.68	175,938,000
Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir	12,000,000	12,000,000	11,391,248	0.05	56,000,000
Upgrade Water Networks (In terms of densification and augmentation)	6,000,000	6,000,000	6,807,782	-0.13	38,000,000
Bulk Water Supply Newlands and Other Areas	1,000,000	946,660	1,079,192	-0.08	1,000,000
Ward 33 Bulk Water Supply Scheme	3,000,000	2,027,978	2,311,894	0.23	3,000,000
Bulk Water Supply Coastal Areas	5,000,000	4,598,247	5,242,001	-0.05	6,276,293
Winterstrand Water Supply	1,000,000	986,960	1,125,134	-0.13	1,000,000
Nord Avenue Pump station	-	3,369,712	3,257,465	1.00	3,369,712
Quinera Treatment Works	-	31,719,000	33,577,000	1.00	31,719,428
Winterstrand Water Supply	-	115,305	131,448	1.00	115,305
Bulk Water Supply Newlands and other areas	-	52,052	59,339	1.00	52,052
Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir	-	13,407	15,284	1.00	13,407
Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir	-	51,863	59,124	1.00	51,863
Ward 33 Bulk Water Supply Scheme	-	25,010,953	28,512,486	1.00	25,010,953
Bulk Water Supply Coastal Areas	-	224,267	255,664	1.00	224,267
KWT & Bisho Infrastructure (Water)	-	2,500,000	2,850,000	1.00	2,500,000
Amahleke Water Supply	-	131,947	150,420	1.00	131,947
Coastal & Midlands Infrastructure	-	3,500	3,889	1.00	3,500
Insurance vehicle replacement -	-	500,000	445,359	1.00	500,000
V442 : BZM945EC - M11/90	-	95,000	-	1.00	95,000
STIHL Cutter & Water Pump - A11/104	2,800,000	2,800,000	344,134	0.88	-

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. *T 3.1.9*

COMMENT ON WATER SERVICES PERFORMANCE OVERALL

T 3.1.10

The total required funding to address the issue of bulk water conveyance and treatment works to deal with Blue Drop compliance, housing delivery and economic development is detailed in the table below:

PROJECT	SHORT TERM (0-5YRS)	MEDIUM-TERM (5-10YRS)	LONG-TERM (10+YRS)
West Bank Bulk	R 56 317 648	R 118 221 668	R 66 596 618
Umzonyana Gravity	R 134 276 430	R 162 676 759	R 13 898 756
Mdantsane and Dawn Bulk	R 32 601 720	R 119 278 294	R 45 871 321
KWT- Bulk	R 186 503 916	R 64 786 403	R 112 558 255
Nahoon Dam supply augmentation	R 120 000 000	-	R 220 000 000
TOTAL	R 529 699 714	R 464 963 124	R 458 924 950

To alleviate some of the current constraints within the system the Municipality has allocated funding as shown on the table T3.1.9.

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

T 3.2.1

Buffalo City Metropolitan Municipality is a designated Water Services Authority. BCMM is also the main Water Service Provider (WSP) within its area of jurisdiction, undertaking all retail functions throughout BCMM and the bulk functions for wastewater.

Access to waterborne sanitation, with either off or on-site disposal, is limited to the formal and certain larger peri-urban settlements within the Urban Edge of BCMM (some 45% of the BCMM population). These settlements are serviced by 9 wastewater treatment works (WWTW), 6 facultative ponds and 1 sea outfall, each with their own catchment area.

The condition of the sewerage infrastructure throughout BCMM is generally one of inadequate capacity, old and poorly maintained infrastructure, resulting in periodic spillages into the river systems.

Due to the topology of the region, there are a large number of sewage pump stations and pipe bridges within the respective drainage regions, which place additional operation and maintenance burden on the service branch.

The following waste water treatment works (WWTW) are operating close to or at capacity.

Dimbaza

King Williams Town (Schornville)

Bhisho

Breidbach

Central

The lack of an adequate/appropriate treatment facility on the West Bank, is said to be a factor limiting the development of the East London IDZ.

Apart from the above treatment constraints, various infrastructure conveyance constraints have been identified in the recent master planning. The following have been identified as having significant impacts on the capacity and functioning of the infrastructure:

High levels of water wastage;

Vandalism, theft and abuse of infrastructure (including alternative materials used for sanitary purposes);

Stormwater and root ingress and siltation;

The collapsing pitch fibre sewers in Mdantsane; and

Sewers installed with backfalls in certain areas.

As a result of the above, BCMM have initiated the projects in:

Zwelitsha WWTW, to:

Establish a regional WWTW in Zwelitsha;

Divert all flows from the surrounding WWTW's to these works; and

Decommission the smaller works.

Reeston WWTW, to:

Establish a regional WWTW in Reeston;

Divert flow from the Central WWTW catchment, as well as from the Wilsonia area to these works; and

De-commission the Central WWTW.

GREEN DROP STATUS

The Green Drop regulation programme seeks to identify and develop the core competencies required to strengthen wastewater management in South Africa. The Green Drop process measures and compares the results of the Water Service Authorities and their Providers, and subsequently rewards (or penalises) the municipality upon evidence of their excellence (of failures) according to the minimum standards or requirements that has been defined.

The Green Drop Criteria is made up of the following 11 components; 1) Process Control, Maintenance and Management Skill, 2) Wastewater Quality Monitoring Programme, 3) Wastewater Sample Analysis, 4) Submission of Water Quality Results, 5) Wastewater Quality Compliance, 6) Wastewater Quality Failures Response Management, 7) Stormwater and Water Demand Management, 8) Bylaws, 9) Wastewater Treatment Facility Capacity, 10) Publication of Wastewater Management Performance, 11) Wastewater Asset Management. Green Drop Accreditation is obtained for Wastewater Treatment Works obtaining a score in excess of 90% for the criteria as detailed.

The Green Drop Certification programme of 2010/11 verified the status of wastewater service delivery by 156 municipalities via an infrastructure network comprising of 821 wastewater collector and treatment systems. Only 40 treatment plants were certified Green Drop Systems for 2010/11.

The BCMM had 13 of wastewater collector and treatment systems audited. The BCMM Sanitation Department was the best performing municipality in the Eastern Province:

86.7% Municipal Green Drop Score (Eastern Cape - provincial score 67.2% - 4TH Nationally in terms of all Provinces)

100% improvement on 2009 Green Drop Status

100% of plants in low and medium risk positions

79, 87, and 92% Site Inspection Scores

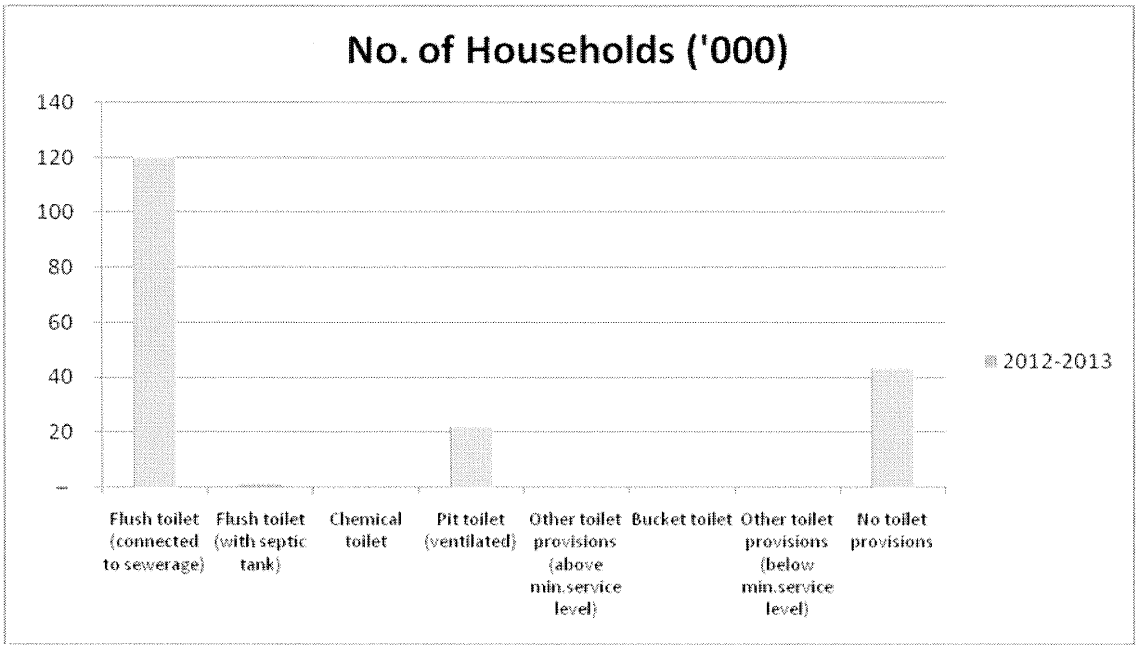


2 Green Drop Awards for 2010/11 (East Bank and West Bank)

Green Drop Comparisons between the larger Municipalities are as detailed:-

eThekwini	:	90.6%
City of Johannesburg	:	90.5%
City of Cape Town	:	86.8%
Buffalo City	**:**	**86.7%**
Nelson Mandela	:	80.8%
Ekurhuleni	:	78.8%
Tshwane	:	63.8%
Manguang	:	38%

T 3.2.2

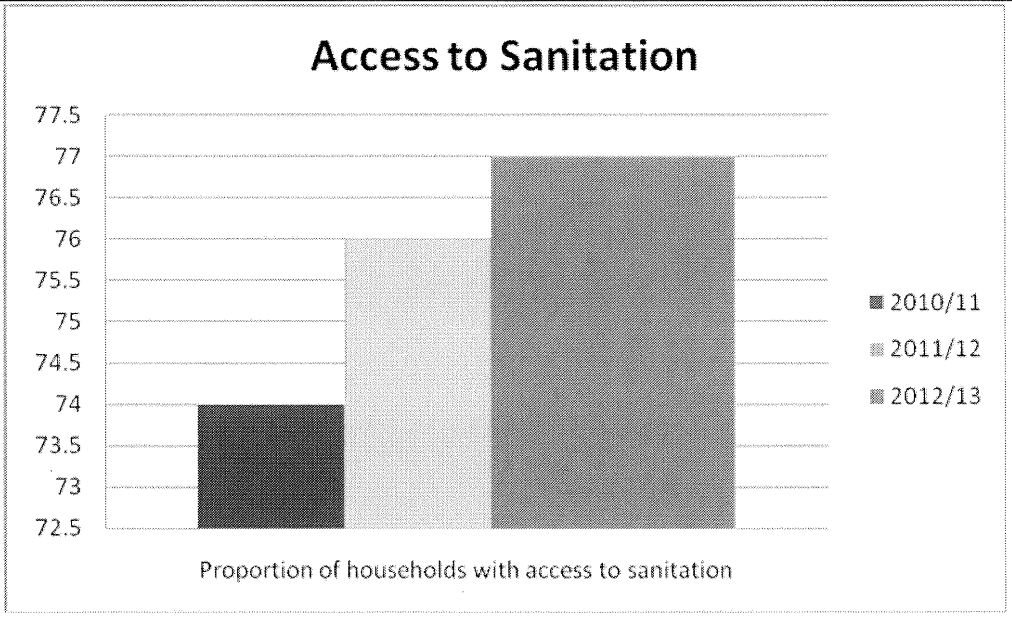


Note: the above figures are based on the realtime statistics available to BCMM and may differ from official Statistics SA data.

Sanitation Service Delivery Levels *Households				
Description	2009_2010	2010_2011	2011_2012	2012_2013
	Outcome No. (000)	Outcome No. (000)	Outcome No. (000)	Actual No. (000)
Sanitation/sewerage: (above minimum level)				
Flush toilet (connected to sewerage)	120	120	120	120
Flush toilet (with septic tank)	1	1	1	1
Chemical toilet	–	–	–	–
Pit toilet (ventilated)	12	18	22	22
Other toilet provisions (above min. service level)	–	–	–	0
Minimum Service Level and Above sub-total	134	139	143	144
Minimum Service Level and Above Percentage	71.3%	74.3%	76.4%	76.7%
Sanitation/sewerage: (below minimum level)				
Bucket toilet	0	–	–	–
Other toilet provisions (below min. service level)	–	–	–	–
No toilet provisions	54	48	44	44
Below Minimum Service Level sub-total	54	48	44	44
Below Minimum Service Level Percentage	28.7%	25.7%	23.6%	23.3%
Total households	187	187	187	187
**Total number of households including informal settlements*				*T 3.2.3*

Households - Sanitation Service Delivery Levels below the minimum						Households
Description	2009/10	2010/11	2011/12	2012/13		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households	122	122	122	121	121	121
Households below minimum service level	–	–	–	–	–	–
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
Informal Settlements						
Total households	66	66	66	66	66	66
Households below minimum service level	54	48	44	44	44	44
Proportion of households below minimum service level	82%	73%	67%	67%	67%	67%

T 3.2.4



T 3.2.5

Access to Sanitation	
	Proportion of households with access to sanitation (%)
2010/11	74
2011/12	76
2012/13	77

Waste Water (Sanitation) Service Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**11/12**		**2012/13**			**2013/14**	**2014/15**	**2015/16**
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators		**Previous Year**		***Previous Year**	***Current Year**		***Current Year**	***Current Year**	***Following Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
To ensure that water and sanitation systems are adequately resourced, well maintained and efficiently functioning									
Reduction in the water backlog and increase in the number of consumer units with access to basic water and sanitation services	Number of households in receipt of at least a basic level of sanitation	147869	146141	146141	147991	146336	201598	203598	205598
Access to formal sanitation	Percentage compliance with effluent quality standards	-	-	79%	80.5%	85%	-	-	-
	Number of formal domestic customers receiving sewerage services	-	-	121696	121736	121734	-	-	-
	Number of sanitation service points (toilets) installed for informal settlement dwellers	-	-	255	405	601	-	-	-
	Number of new households (RDP) provided with sewer connections	-	-	23576	25426	23653	-	-	-
	Backlog in the provision of basic sanitation services (above RDP standards)	43,980		46020	43980	45825	-	-	-

T 3.1.6

Employees: Sanitation Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		275	239	36	13%
4 - 6		32	22	10	31%
7 - 9		48	44	4	8%
10 - 12		27	25	2	7%
13 - 15		9	6	3	33%
16 - 18		1	1	0	0%
19 - 20		0	0	0	#DIV/0!
Total		392	337	55	14%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T 3.2.7*

Financial Performance Year 0: Sanitation Services					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	302,258	260,618	260,618	388,639	33%
Expenditure:					
Employees	59,139	66,020	65,921	63,441	-4%
Repairs and Maintenance	19,208	19,609	21,544	19,486	-1%
Other	175,390	187,730	190,805	197,363	5%
Total Operational Expenditure	253,738	273,358	278,271	280,290	2%
Net Operational Expenditure	(48,520)	12,740	17,653	(108,349)	112%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. *T 3.2.8*

Capital Expenditure Year 0: Sanitation Services					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	167,608	236,973	136,225	-23%	
Laptop - A. Skwebu - A12/51	–	8	7	100%	8
Bulk Sanitation Provision	152,608	–	–	0%	255,708
Bufferstrip Sanitation	–	5,400	5,012	100%	5,400
Eastern Beach Sewers	–	5,000	4,897	100%	5,000
E.L Sewer Diversion Centre	–	26,500	18,754	100%	26,500
Inland Rural Sanitation Dimbaza	–	28,636	6,565	100%	28,636
Nord Avenue Pump Station	–	4,000	–	0%	4,000
Quinera Treatment Works	–	7,500	–	0%	10,000
Quinera Treatment Works	–	31,719	29,453	100%	
Reeston Phase 3 Bulk Service Sewer	–	26,500	7,096	100%	26,500
Berlin Sewer	–	1,000	510	100%	1,000
Sludge Handling Facility	–	472	472	100%	472
Waste Water Treatment Capacity Zwelitsha	–	26,500	–	0%	26,500
Ablution Block / Chemical toilets	–	10,500	8,181	100%	5,000
KWT, Dimbaza and Bhisho Infrastructure(Water)	7,000	7,000	6,072	-15%	64,000
Relocation of Midblocks in Mdantsane	5,000	5,000	4,721	-6%	15,000
Amahleke Water Supply	3,000	3,000	2,561	-17%	9,000
E.L Sewer Diversion Centre	–	1,526	1,526	100%	1,526
West Bank Restitution - Water & Sanitation	–	4,853	4,853	100%	4,853
Waste Water Treatment Capacity (Zwelitsha)	–	22,595	17,114	100%	22,595
Reeston Phase 3 Bulk Services Sewer	–	6,346	6,346	100%	6,346
Bufferstrip Sanitation - Mdantsane	–	562	562	100%	562
Diversion of Amalinda and Wilsonia effluent to Reeston	–	202	202	100%	202
Inland Rural Sanitation (Dimbaza Villages,Ngxwalane and Kwalini)	–	10,048	10,048	100%	10,048
Eastern Beach Sewers	–	89	89	100%	89
Mdantsane Sewers Refurbishment	–	2,000	1,185	100%	2,000
Leiden Twinning -Sanitation	–	17	–	0%	17

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.

T 3.2.9

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

T 3.2.10

To address the issue of Green Drop compliance, housing delivery and economic development BCMM have initiated the projects below:

Zwelitsha WWTW

Establish a regional WWTW in Zwelitsha;

Divert all flows from the surrounding WWTW's to these works; and

Decommission the smaller works.

Reeston WWTW

Establish a regional WWTW in Reeston;

Divert flow from the Central WWTW catchment, as well as from the Wilsonia area to these works; and

De-commission the Central WWTW.

Budget allocation is provided in the table T 3.1.9 for the implementation of the above projects.

ELECTRICITY

INTRODUCTION TO ELECTRICITY

Note: Recent legislation includes the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act 2006.

The purpose of the Electricity Department is to provide an effective and efficient electrical supply service in accordance with legal and statutory requirements to all Buffalo City Consumers within the BCMM electrical network. The BCMM electricity department purchases bulk electricity from Eskom via 15 intake points of distribution in the BCMM supply area. This is re-distributed to all consumers within the urban edge.

To achieve the above mandate the electricity services department concentrates on the following priorities:

Network Stability: Re capitalizing, refurbishment and upgrading of the network. Without a reliable network and increased capacity the Electricity Department cannot provide services or install additional connections onto the network. The electricity network in Buffalo City is currently in a poor condition. This is the result of budget constraints, which force the Electricity Department to cut down on capital upgrading and replacement of the electrical network. The consequences are frequent power outages and a poor quality of supply to electricity consumers. Without a significant capital reinvestment plan, with commensurate funding made available, Buffalo City could experience a number of electrical failures which would have a negative impact on the city's economic growth and the municipality's income, as electricity sales account for the largest portion of Buffalo City's yearly income.

New service connections: In terms of electricity service connections for RDP housing, the Electricity Department, in conjunction with the Department of Energy (DoE), provides electricity to formal houses. Annually, Buffalo City's Electricity Department is invited to request funding from the DoE's Integrated National Electrification Program (INEP). The INEP program is part of the Governments Universal Access policy. The deadline for universal access to electricity has been extended to 2020. Every project that is proposed to the DoE is visited by the DoE to ensure that it meets the criteria set by the DoE and if approved, funding is made available. The funding that is provided by the DoE is only partial funding, as the Municipality is required to provide counter funding. Therefore the number of houses that can be connected is dependent on the funding from DoE, the counter funding provided by Buffalo City Metropolitan Municipality and the number of housing projects that are completed.

Revenue protection: The Electricity Department cannot remain viable unless revenue for all electricity used is collected and vandalism and theft of the network is curtailed. Illegal electricity connections have escalated at a dramatic rate as no significant legal action is taken against illegal electrical users.

One of the strategized solutions is the formulation of a new electricity fines system. This approach has already been approved by Council and will mean that in the near future, electricity fines will be issued to illegal electricity users in much the same manner as a traffic speeding fine is currently issued. The role out process is almost complete and it is envisaged that this approach will assist the department in limiting the number of illegal connections. The revenue protection team work in close contact with the SAPS.

The long term solution is to electrify all informal dwellings that meet the DoE's electrification guidelines.

In addition, the Electricity Department is at high risk of non – compliance to the license issued by the National Electricity Regulator (NER) and to non – compliance of occupational health and safety regulations.

Chapter 3

RURAL SUPPLY BY ESKOM

Eskom has a NERSA license to supply rural areas which fall outside the BCMM area of supply. As the Municipality does not have a service level agreement with Eskom, a number of issues arise, including;

Different tariffs to communities within the same area

Different service levels to communities within the same area. BCMM provide a supply of 40 amps , ESKOM Supply 20 amps or less

It should also be noted that street lighting is provided to consumers supplied by the BCMM network as the electricity tariff allows for this service. As BCMM does not receive income from electricity sales from consumers within the ESKOM area of supply street lighting is not provided in these areas.

Through SALGA, municipalities are negotiating a distribution service level agreement with ESKOM.

ACHIEVEMENTS 2012-2013

During the 2012/13 financial year the following has been achieved.

NETWORK ENHANCEMENT TO ALLOW FOR RDP SERVICE CONNECTIONS

The Queens-park Zoo Sub-station is a multiyear project funded by the DoE, which will improve the electrical network by providing additional capacity, to allow for numerous RDP developments within the boundaries of the Metro. The substation is 95% complete and is proceeding in terms of the program and available funds. The substation will be supplied via a 2 km long 132 kV overhead line supported on steel lattice pole structures to be constructed between Buffalo City's Woodbrook and Zoo substations.

RDP SERVICE CONNECTIONS

The following projects were implemented during this period:

Reeston: 200 service connections completed

Sweet water: 500 service connections completed

Haven Hills and Mekeni Street: 54 service connections. The full extent of this project was not achieved due to the housing project not being completed.

Potsdam Unit P:750 services connections completed

3.3.3 Network Enhancement:

The Electricity Department received R27.9 million in the 2012/2013 financial year for capital projects. This enabled equipment to be ordered for capital projects which will be completed in the 2013/14 financial year. These items have a long lead time so are ordered in advance to ensure completion of the projects:

Frere Hospital Switch House 6 Panel Board

Power Station KWT Switch House 14 Panel board

Brooklyn Road Switch House 9 Panel board

Bhisho Fourways Switch House 12 Panel board

Network Reinforcements and upgrades were completed, including:

Direct feeder from Grey Hospital to Beatrice Street RMU

Upgrade incoming feeders to Power Station KWT tertiary substation

Upgrade incoming feeders to Bhisho Fourways tertiary substation

Savoy Substation upgrade to 500 kVA mini substation

Paley Street Substation upgrade to 500 kVA mini substation

Upgrade and refurbish overhead mains in Gonubie

Upgraded and replaced switchgear in Fort Jackson tertiary substation including new main feeder cables

Upgraded and replaced switchgear in Mount Ruth tertiary substation including new main feeder cables

Chiselhurst to Frere Hospital cable

Re-route overhead line link house to Berlin sewer works

Arcadia Substation to Dyer St substation – cable

North End new feeder cable and RMU

Dunes Rd replace bundle

Nord Ave replace MV line with cable

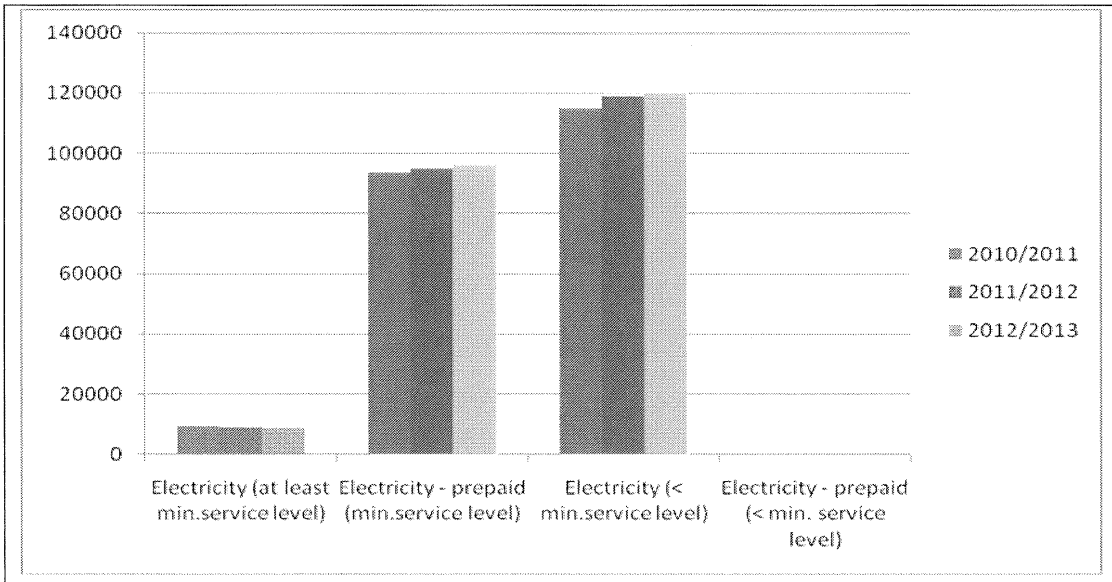
Grace Crescent installation of mini Substation and RMU

Maluti T-Unit and Chicken Farm KWT Link

3.3.2 DSM Street Lighting

BCMM is implementing the Electricity Demand Side Management street lighting project, which is funded through the DoE to the value of some R10m. This constitutes 5200 new energy saving installations. The new lights installed will save an estimated 1281Megawatt hours.

T 3.3.1



T 3.3.2

Electricity Service Delivery Levels

Households

Description	2009/2010	2010/2011	2011/2012	2012/2013
	Actual No.	Actual No.	Actual No.	Actual No.
Energy: **(above minimum level)**				
Electricity (at least min. service level)	10000	9500	9000	8755
Electricity - prepaid (min. service level)	93000	93920	95245	96000
Minimum Service Level and Above sub-total	103000	103420	104245	104755
Minimum Service Level and Above Percentage	47%	47%	47%	47%
Energy: **(below minimum level)**				
Electricity (< min. service level)	114000	115000	119000	120000
Electricity - prepaid (< min. service level)	0	0	0	0
Other energy sources	0	0	0	0
Below Minimum Service Level sub-total	114000	115000	119000	120000
Below Minimum Service Level Percentage	53%	53%	53%	53%

Total number of households	217000	218420	223245	224755
				T 3.3.3

The only backlogs in the formal housing sector are new developments which remain un-electrified for a short period between the completion of the building and the electrification thereof, depending on funding being made available.

Households - Electricity Service Delivery Levels below the minimum Households						
Description	**2009/10**	**2010/11**	**2011/12**	**2012/13**		
	Actual No.	**Actual No.**	**Actual No.**	**Original Budget No.**	**Adjusted Budget No.**	**Actual No.**
Formal Settlements						
Total households	103	103	104	105	105	105
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
Informal Settlements						
Total households	114	115	119	120	120	120
Households below minimum service level	114	115	119	120	120	120
Proportion of households below minimum service level	100%	100%	100%	100%	100%	100%
						T 3.3.4

Electricity Service Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2011/2012**		**2012/2013**			**2013/2014**		**2015/2016**
		Target	**Actual**	**Target**		**Actual**	**Target**		**Target**
Service Indicators **(i)**	**(ii)**	***Previous Year (iii)**	**(iv)**	***Previous Year (v)**	***Current Year (vi)**	**(vii)**	***Current Year (viii)**	***Current Year (ix)**	***Following Year (x)**
To ensure a seamless and coordinated provision of municipal services									
Provision of minimum supply of electricity	Number of new RDP household supplied with Electricity	1500	1325	1500	1500 new RDP electrical service connections	1473	495 new RDP electrical service connections	1000 new RDP electrical service connections	1000 new RDP electrical service connections
To ensure that BCMM remains financially viable	Reduction in number of meter tempering	N/A	N/A	N/A	8000 with a variance of positive 500 - 2000	11 000	8000 with a variance of positive 500 - 2000	8000 with a variance of positive 500 - 2000	8000 with a variance of positive 500 - 2000
Provision of electrical services	Number of formal households with access to basic electricity 20 Amp Supply	N/A	N/A	N/A	825	2431			

T 3.3.5

Chapter 3

MAJOR CHALLENGES IN ELECTRICITY SERVICES AND REMEDIAL ACTIONS

The Electricity Department has completed a master plan which provides a tool to identify the areas requiring immediate action. The Master plan has identified that the network has an estimated R650 million backlog in upgrading, refurbishment and replacement. The budget provided to the electricity department is less than 3% of the required budget in terms of the backlog. In order for the network to remain stable into the future, a substantial investment into the network needs to be provided.

The Electricity Department has a shortage of skilled labour such as engineers, technicians and electricians. At present the department has a shortage of 10 to 15 electricians for the areas maintained within the electricity supply area. These positions have been advertised on numerous occasions over the last few years, however vacancies still exist. Government as a whole has acknowledged the shortage of skilled personnel in various sectors of the engineering field. It has been proposed that, in order to meet the need for skilled labour, the electricity department open an internal training school which would cater for apprentices as well as engineers and technicians.

The NERSA license, under which the Electricity Department operates, requires BCMM to meet certain conditions and to implement a number of monitoring systems. With the existing staff this is not possible. With the shortage of staff in the department the implementation and updating of the asset register is a major burden and additional staff and computer programming is required to ensure full compliance. The electricity department have aligned a staff structure in line with the needs of a Metropolitan Municipality to ensure compliance with license conditions.

Employees: Electricity Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	121	102	19	16%
4 - 6	3	24	20	4	17%
7 - 9	6	52	33	19	37%
10 - 12	7	56	46	10	18%
13 - 15	9	7	5	2	29%
16 - 18	11	2	2	0	0%
19 - 20	18	0	0	0	#DIV/0!
Total	55	262	208	54	21%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T 3.3.6*

Financial Performance Year 0: Electricity Services					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1,199,586	1,342,186	1,340,702	1,345,572	0%
Expenditure:					
Employees	54,914	70,344	69,560	61,942	-14%
Repairs and Maintenance	78,974	125,170	125,170	100,424	-25%
Other	950,652	1,079,735	1,081,137	1,081,297	0%
Total Operational Expenditure	1,084,540	1,275,250	1,275,867	1,243,662	-3%
Net Operational Expenditure	(115,047)	(66,936)	(64,835)	(101,909)	34%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. *T 3.3.7*

Capital Expenditure Year 0: Electricity Services					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	77,851	84,732	76,432	-2%	
Electrification - Energy Efficient Street Lighting	10,000	10,000	10,000	0%	10,000
Replacement of Street lights	–	71	71	100%	71
Bulk Electricity Infrastructure Upgrade	5,000	5,000	4,745	-5%	105,000
Electrification - Reeston, Potsdam unit P, Infills Mdantsane, Dimbaza, Zwelitsha, Pakamisa, Bisho and Duncan Village	30,000	30,000	27,024	-11%	80,000
Electrification - Reeston, Potsdam unit P, Infills Mdantsane, Dimbaza, Zwelitsha, Pakamisa, Bisho and Duncan Village	–	6,254	6,254	100%	6,254
Electricity Infrastructure Network(2.47% Tarriff Increase - Ring Fenced)	27,851	10,212	10,191	-173%	10,212
Counter Funding - Electricity Infrastructure Network (2.47% Tariff increase - Ring fenced)	–	18,195	18,146	100%	18,195
Electrification of Informal Dwelling in Duncan Village Areas	5,000	5,000	–	-	45,000
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.3.8*

The electricity services department implemented a number of projects to ensure a safe, reliable and efficient electrical network. 91% of the capital funds provided to the department were spent. The unspent funding of 9% was for the following projects:

Haven Hills and Mekeni Street House service connections: the project was stalled due to housing project being incomplete.

Informal dwellings within Duncan Village due to internal discussions and investigation into areas meeting the required guideline for informal area electrification this project was only implemented in June 2013 and will continue into the 2013/14 financial year.

To ensure that the electrical network become fully reliable and functional additional funding is required to replace all old equipment which is past its normal engineering life span.

T 3.3.9

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

INTERVENTIONS

In line with the National Environmental Management Act, Buffalo City Metropolitan Municipality is in the process of reviewing its Integrated Waste Management Plan (IWMP) which was adopted by Council in 2003.

In addition, BCMM undertakes the following programmes on a regular basis:

Street Sweeping and Refuse Removal

Street sweeping is performed during the day and also at night with specific focus on the Central Business District (CBD) and strategic areas of Buffalo City Metropolitan Municipality.

Refuse removal is executed once a week in all serviced areas of BCMM as per the National Domestic Collection Standards, whilst business waste is collected from various business establishments according to the owner's request. In areas where infrastructure is challenged, the Department has constructed drop- off points for storage purposes and ease of collection. This programme has been extended to other areas faced with similar challenges namely, Duncan Village, Cambridge Location and Orange Grove.

BCMM has an estimated 248 844 households which need to be serviced. (Source: BCMM household survey conducted in 2008). At the close of the financial year under review, some 114 512 households were being serviced.

Landfills and Waste Minimization

The refuse collected from different areas of BCMM is disposed of in the two permitted landfill sites (King Williams Town and Roundhill in Berlin). These sites are experiencing airspace challenges and the "Polokwane declaration" which states: "zero waste to landfills sites by 2020" seems to be a farfetched realization. The Department is in the process of the construction of a 3rd cell at the Roundhill landfill site; with the process now at the Bid Adjudication Stage. Implementation will commence once the tender has been awarded.

Buffalo City Metropolitan Municipality has three (3) garden transfer stations namely, IDZ, Beacon Bay and Stoney Drift in Amalinda. The majority of BCMM residents are unable to access these facilities. As a result they end up dumping their garden waste illegally. The Department is in the process of procuring shipping containers that will serve as garden

transfer stations in order to overcome the challenge of illegal dumping. Parallel to this, the department has trained Peace Officers who will enforce waste management by-laws to those who contravene the laws.

Public Conveniences

Public conveniences are in the process of being transferred to the Engineering Department as they are best defined in this Department in terms of the legislation and delegation framework.

CHALLENGES

The following issues are challenges which impede waste management services in and around the Metro:

Community mindset and behaviours, which lead to issues such as illegal dumping

Insufficient refuse compactor trucks

Suitable land for the Central Transfer Station has yet to be secured

In addition, the policy framework has experienced some challenges, including:

Challenges in aligning the Waste Management Plan with NEMWA (National Environmental Management Waste Act) and the IDP.

The Polokwane declaration: zero waste to landfill site by 2020 – is seen to be an unrealistic goal for BCMM

Waste Management By-laws

REMEDIAL ACTION

In order to address the above challenges, the Department:

Is in the process of procuring shipping containers that will serve as garden transfer stations. These will be placed where garden transfer stations are not in existence;

Will engage the Integrated Environmental Management Planning (IEMP) Unit to assist with the Environmental Impact Assessment (EIA)

Has engaged the Land Administration Department to facilitate the land acquisition process;

Together with the Provincial Department of Social Development, has implemented a ***Separation at Source*** project in Quigney. This is a pilot project that will influence other similar projects to follow;

Is in the process of procuring 10 x Refuse Compactor Trucks for the Midlands Region;

Has conducted clean-up campaigns and radio awareness campaigns with the aim to educate residents on ways of looking after their environment and surroundings

In line with NEMWA, is in the process of reviewing these by-laws to be enforced by the Peace Officers.

In addition, the Waste Minimisation, Planning and Education Unit has achieved the following:

Development of a fines list and the enforcement thereof (fines to the value of R21 000 have been issued)

Recycling Drop Off points have been established

20 Adopted Spots which were illegal dumps

Conducted a Recycling Seminar for all BCMM communities

Training of Peace Officers

Establishment of a composting plant in Mdantsane (DEA funding)

T 3.4.1

Solid Waste Service Delivery Levels

Households

Description	2009/2010 Actual No.	2010/2011 Actual No.	2011/2012 Actual No.	2012/2013 Actual No.
Solid Waste Removal: (Minimum level)				
Removed at least once a week	2 895	2 685	2 846	2 235
Minimum Service Level and Above sub-total	2 895	2 685	2 846	2 235
Minimum Service Level and Above percentage	50.9%	47.1%	51.5%	44.8%
Solid Waste Removal: (Below minimum level)				
Removed less frequently than once a week	655	547	565	523
Using communal refuse dump	865	846	487	865
Using own refuse dump	655	547	565	523
Other rubbish disposal	502	952	938	720
No rubbish disposal	112	123	124	124

Below Minimum Service Level sub-total	2 790	3 015	2 678	2 755
Below Minimum Service Level percentage	49.1%	52.9%	48.5%	55.2%
Total number of households	5 685	5 699	5 523	4 991
			T 3.4.2	

Waste Management Service Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2011/2012**		**2012/2013**			**2013/2014**	**2014/2015**	**2015/2016**
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators				**2011/2012**					
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
Service Objective: To provide an efficient and effective, collection and disposal of Solid Waste									
Provision of weekly collection service per household (HH)	Proportionate reduction in average weekly collection failures year on year (average number of collection failures each week)	3 areas per week	3 areas per week	2 areas per week	4 areas per week	3 areas per week	3 areas per week	3 areas per week	3 areas per week
Future capacity of existing and earmarked (approved use and in council possession) waste disposal sites	The amount of spare capacity available in terms of the number of years capacity available at the current rate of landfill usage	38 years @ Roundhill Site	38 years @ Roundhill Site	38 years @ Roundhill Site	37 years @ Roundhill Site	37 years @ Roundhill Site	T2 years of unused landfill capacity available	25 years life span	18 years

Waste Management Service Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2011/2012**		**2012/2013**			**2013/2014**	**2014/2015**	**2015/2016**
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators				**2011/2012**					
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
Proportion of waste that is recycled	Volumes of waste recycled as a percentage of total volume of waste disposed of at landfill sites.			No recycling initiatives yet – the Unit is sill initiating programmes	No recycling initiatives yet – the Unit is sill initiating programmes	No recycling initiatives yet – the Unit is sill initiating programmes			
Proportion of landfill sites in compliance with the Environmental Conservation Act 1989.	x% of landfill sites by volume that are being managed in compliance with the Environmental Conservation Act 1989.	Roundhill Site and KWT Site	Roundhill Site and KWT Site	Roundhill Site and KWT Site	Roundhill Site and KWT Site	Roundhill Site and KWT Site	Roundhill Site and KWT Site	Roundhill Site and KWT Site	Roundhill Site and KWT Site

T 3.4.4

Employees: Solid Waste Magement Services					
Job Level	Year -1	Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3		472	444	28	6%
4 - 6		45	41	4	9%
7 - 9		74	59	15	20%
10 - 12		16	14	2	13%
13 - 15		3	2	1	33%
16 - 18		0	0	0	#DIV/0!
19 - 20		0	0	0	#DIV/0!
Total		610	560	50	8%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T3.4.5*

Employees: Waste Disposal and Other Services					
Job Level	Year -1	Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T3.4.6*

Financial Performance Year 0: Solid Waste Management Services					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	247,983	277,583	279,067	277,030	0%
Expenditure:					
Employees	81,253	83,062	84,583	87,012	5%
Repairs and Maintenance	7,112	11,454	12,204	11,948	4%
Other	100,794	171,815	173,969	112,536	-53%
Total Operational Expenditure	189,159	266,330	270,756	211,496	-26%
Net Operational Expenditure	(58,824)	(11,253)	(8,311)	(65,534)	83%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.4.7*

Financial Performance Year 0: Waste Disposal and Other Services					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	247,919	277,582	279,066	277,030	0%
Expenditure:					
Employees	72,238	75,560	77,177	78,525	4%
Repairs and Maintenance	3,369	7,626	7,626	7,406	-3%
Other	87,829	161,625	163,780	93,392	-73%
Total Operational Expenditure	163,436	244,812	248,583	179,323	-37%
Net Operational Expenditure	(84,483)	(32,770)	(30,483)	(97,707)	66%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.4.8*

Capital Expenditure Year 0: Waste Management Services					R' 000
	Year 0				
Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	23,000	84,436	16,479	-40%	
Purchase of 7 Refuse Compactor Trucks - Mdantsane	–	10,497	8,669	100%	10,497
Purchase of 3 Refuse Compactor Trucks - Mdantsane	–	4,500	2,890	100%	4,500
Purchase of 2 x LDV Bakkies	–	460	–	-	460
Purchase of 1 x Load Lugger	–	800	652	100%	800
Refuse 5 Compactor Trucks - Coastal Region	–	1,987	1,445	100%	1,986
V245 : DVM483EC - M09/198	–	1,700	1,168	100%	1,700
V256 : DYP009EC - M10/227	–	1,700	–	-	1,700
V446: BRK201EC with Canopy - M11/02	–	27	–	-	27
Vehicles for Solid Waste Supervisors, Safety Officers, District Cleansing Officers and Superintendants - 9 x Sedans, 8 LDV's, 3 x Double Cabs, 2 x 3 Ton Trucks (Inland, Midlands and Coastal Areas)	–	1,646	1,557	100%	1,646
Designs of the Central Transfer Station	3,000	–	–	-	–
Mdantsane N.U.2 site	–	2,500	–	-	2,500
KWT (Tannery Site)	–	2,500	–	-	2,500
Construction of Third Cell	15,000	15,000	–	-	
Grass cutting equipment	–	1,129	98	100%	1,129
Rehabilitation of Landfill sites	5,000	–	–	-	
Solid waste management Prog- Weigh Bridge KWT	–	1,015	–	-	1,015
Solid waste management- Secondary Road Berlin Land Fill Site	–	1,000	–	-	1,000
Solid Waste Management	–	36,000	–	-	36,000
Leiden Twinning -Floodpain	–	488	–	-	488
Leiden Twinning -Solid waste drop- Off points	–	975	–	-	975
Leiden Twinning -Solid waste	–	513	–	-	513
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.4.9*

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

Waste Minimization Projects Initiated – including the Quigney Separation at Source project and the installation of recycling bins, supported by a Recycling Seminar held for the BCMM community.

Milestone towards the construction of central waste transfer station and related infrastructure

The Department is in the process of construction a 3rd cell at the Roundhill landfill site, with the process now at the Bid Adjudication Stage. Implementation will commence once the tender has been awarded.

T 3.4.10

3.5 HOUSING

INTRODUCTION TO HOUSING

In terms of the Housing Act of 1997 and also with reference to the housing accreditation framework, the Municipality undertakes to set housing delivery goals, identify and designate land for housing development, initiate, co-ordinate facilitate, promote and enable appropriate housing development. As part of the IDP, to take steps to ensure that the inhabitants of its area have access to adequate housing on a progressive basis and conditions which are not conducive to health and safety are removed.

As a contribution to the Housing Sector Plan (HSP), the City is in the process of developing an Integrated Sustainable Human Settlement Plan (ISHSP) that will define what is required to unlock housing delivery in a particular area of BCMM, identify what other social and infrastructural services would be required to do so in a holistic and integrated way. A housing allocation and relocation policy is being processed by Council structures towards final adoption.

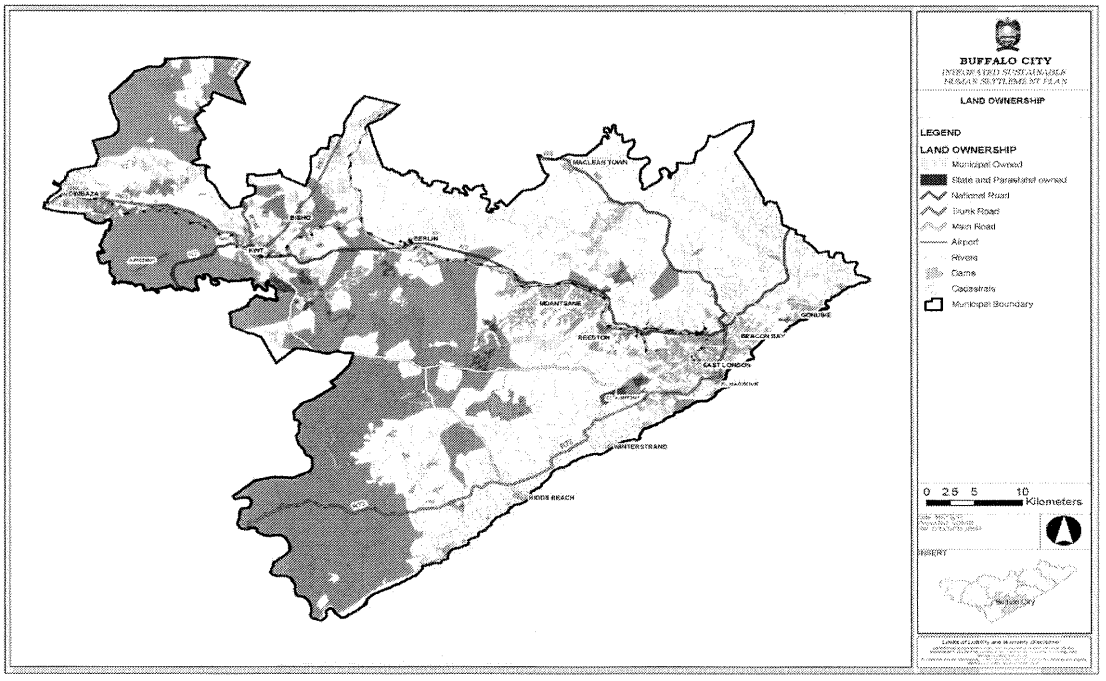
The creation of affordable and well-located rental stock for rapidly growing, mobile (migrant) and urban population within inner city and other locations close to economic opportunities is a priority. However, a major challenge for the Metro has been the shortage of well-located and affordable land for housing provision.

In addition, the Metro has lacked a coherent strategy for land acquisition apart from the fact that public land is 'vested' in the State. In addition, there is simply no land available for housing development in the Metro. Thus a need for further land acquisition. Land release is further hampered by the various pieces of legislation and the legal procedures related to the

alienation of land, the difficulties in accessing state owned land and the constitutional imperatives impacting on the acquisition of private land.

In response to this challenge, in 2012/2013 financial year, the Metro started engagements with the Housing Development Agency (HDA) with the view of signing a protocol agreement that will allow for land release and acquisition.

The Map below indicates the amount of land that is vested in State and other Parastatels (red) and that which is owned by BCMM (yellow).



There are approximately 698 Municipal owned erven accounting for 6 661 hectares;

2 940 State or parastatal erven accounting for 109 644 hectares.

The majority of the undeveloped arable land is along the coast. Although Mdantsane and areas around KWT reflect arable land, settlements already occupy the land.

HOUSING BACKLOG

According to Census 2011, BCMM has 223,468 households, with a population density of 400 people per hectare. The Eastern Cape as a whole has a much lower population density, at only 38.

There are approximately 50,386 informal settlement structures located in 154 informal settlements within the BCMM Urban Edge (Census 2011). The highest density and number of informal settlement structures are located in Duncan Village. There are a further 28,000 backyard shacks located in BCMM, with the highest numbers being in the greater East London area and the Mdantsane and Potsdam area.

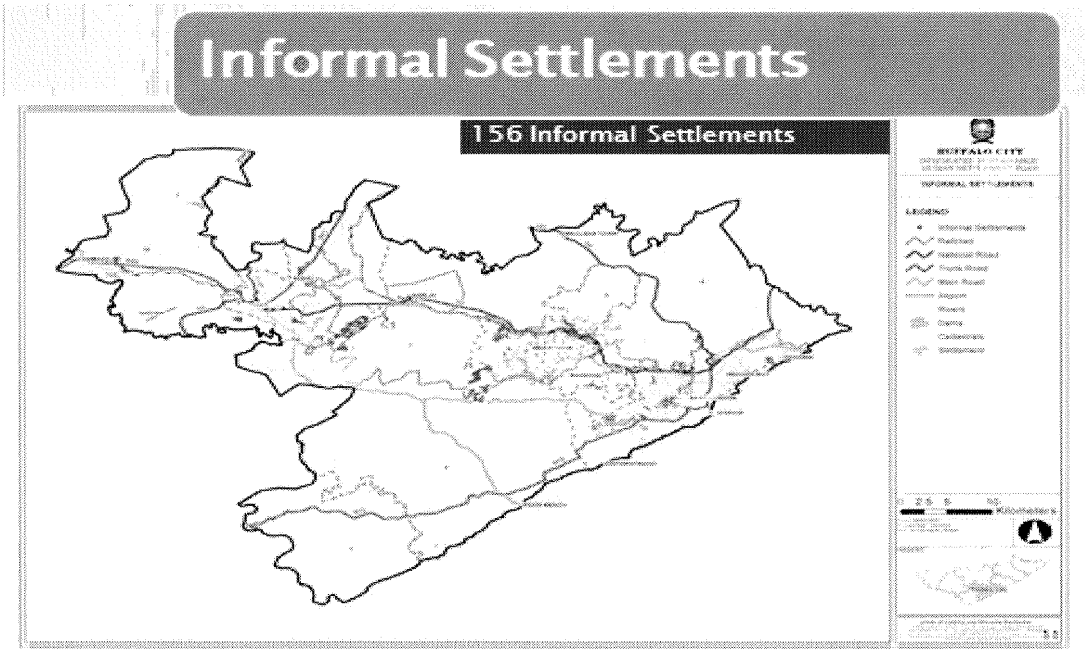
The Housing Sector Plan records a total housing need of 121,000 units. This represents 75,000 units, including all levels of income and housing types, within the urban edge; and 46,000 units in rural areas.

The Housing Needs Register of BCMM is underway. This register includes everyone who is in need of housing assistance and reports on matters like income groups, special needs, housing tenure requirements etc.

In terms of the Housing Needs Register, there are currently 31 000 people captured onto the system with a further 9 000 who have already been registered, but not captured onto the system. There are 156 informal settlements in Buffalo City Metropolitan Municipality urban area, of which 120 of have been registered.

It is envisaged that the registration process for all the informal settlements, as well as beneficiaries, will be concluded in the 2014 / 2015 financial year. This registration process is however on-going and the offices will always be open to those that have not yet registered.

The map below reflects all the informal settlements within BCMM



Chapter 3

HOUSING INTERVENTIONS

The municipality is currently involved in the following priority housing programmes:

Emergency housing programme;

Upgrading of informal settlement programme;

Rural housing subsidy programme;

Project linked subsidy programme;

Disposal of municipal housing stock (discount benefit scheme);

Social Housing support programme; and

Consumer education.

Beneficiary Administration

Public funded housing (BNG Housing)

The objective of BCMM is to accommodate all residents, presently residing in informal settlements, in formal housing through an incremental process. This will result in those currently receiving a sub-economic RDP level of services, receiving full level of RDP or higher level of services.

However, due to the extent of the housing to be delivered and the income levels of the beneficiaries, the impact of this housing programme will be significant both in terms of land acquisition, state land transfer, water/sanitation services provision (extent of infrastructure required to support such development) and the sustainability of the Municipality to maintain such services (most beneficiaries of the housing programme will more than likely not be able to afford the higher levels of service).

In the 2012 / 2013 financial year various housing projects were implemented within the City **by the Municipality and the Provincial Department of Human Settlements.** These projects are located within East London, Reeston, Duncan Village, Mdantsane / Potsdam, King William's Town and rural areas.

In terms of low cost housing developments undertaken by the Municipality, it was anticipated that approximately 709 low cost units (BNG Units) in various related projects within the City would be built by BCMM. However, by the end of the financial year, only 432 low cost houses

(BNG Units) had been handed over by BCMM. The following projects were underway during 2012/2013:

Ilitha South (BCMM),

Tyutyu Phase 2 (BCMM),

Dimbaza Wooden Houses (PDoHS),

Tshabo (PDoHS), Cambridge (PDoHS),

Sweet Waters (PDoHS)

Potsdam Unit P (BCMM & PDoHS)

Airport 2A (BCMM),

DVRI Pilot Project (BCMM),

Dimbaza 110 (BCMM),

Storm Damage (BCMM)

Second Creek (BCMM)

Manyano & Thembelihle (BCMM),

Reeston 3 Stage 2 (BCMM),

Mzamomhle (PDoHS)

Currently 1670 sites are at excavation level; 1377 at roof level and 1327 sites are practically completed but not handed over as yet. This should be done in the 2012 / 2013 Financial Year.

The delays in proceeding with projects and handing over of practical completed units were mainly attributed to:

Completion of minor technical remedial works;

Illegal occupation of the units / sites approved to beneficiaries;

Finalisation of Environmental Impact Assessment (EIA's);

Delays with procurement as well as delays with the infrastructure designs;

Appointed Consultant being liquidated;

Unapproved beneficiaries;

No subsidy agreement has been concluded between the PDoHS and BCMM regarding the top structure funding for various projects;

Challenges of poor performance by the contractor due to labour disputes;

Contracts being challenged by non-successful bidders;

The deviation from the target of providing 709 low cost units was due to a poorly performing contractor. BCMM instigated numerous attempts to enforce the contractor to increase the delivery outputs in order to bring the projects to completion. Poor performing contracts have also been terminated. The appointment of the contractor was also contested in court for review. The matter was settled and the second bidder considered.

All new low cost housing projects will follow a clustered approach with projects of similar scale / numbers and location grouped and tendered as one collective project. In 2012/2013 there were three clusters. The following summarises the action to date:

Cluster 1 = recently gone out on tender inviting bidders for the construction of internals services and top structure.

Cluster 2 = Appointed services provider (professional team) is finalizing detailed designs.

Cluster 3 = Appointed services provider is finalizing preliminary designs.

In addition to the above, there are currently 3 active Social Housing Institutions (SHI's) in BCMM and with projects within the Municipal Boundaries. During this financial year, SOHCO has acquired funding for an additional phase to the Emerald Sky project in Amalinda, which is currently underway. They have also expressed their interest in a land parcel situated in West Bank, adjacent to the IDZ, that is within the area which BCMM has identified as part of the social housing restructuring zones.

Mdantsane Urban Renewal Programme (MURP)

In 2001, the then State President initiated eight Urban Renewal Programmes across the country, including the Mdantsane Urban Renewal Programme (MURP), which is still a significant programme within BCMM. To this end, the following projects were implemented by BCMM, which are reported on elsewhere in this report:

Redevelopment of Mdantsane NU 2 Swimming Pool

Mdantsane Eco-Park

Learners Licence Centre

Closed-Circuit Television (CCTV) Cameras

Upgrade of the Mdantsane Fire Station

Guidance Signage

Mdantsane Local Spatial Development Framework (LSDF)

Upgrading and Rehabilitation of Mdantsane Roads

Bufferstrip Sanitation

In addition, a number of municipal- wide and/or ongoing projects were implemented with a positive benefit for Mdantsane, including:

Maintenance and Upgrading of Mdantsane Cemeteries

Integrated Waste Management Plan

Integrated Rapid Public Transport Network

BCMM Bursary Fund

Electrification Programme

European Union (EU) Funding Coordination

The following housing projects have been implemented in Mdantsane, as detailed below:

Cluster 1 (Masibulele-161 units, Masibambane-156 units, Ilinge- 561 units, Velwano- 420 units & Dacawa- 161 units) - The project is at detail design stage, consultant is finalizing tender document and submitted the document on the 28/06/2013. The tender for the appointment of the contractor for internal services and top structures was advertised in July 2013

Cluster 2 (Chris Hani-304 units, Winnie Mandela-300 units, Gwentshe-25 units, Mathemba Vuso-59 units, Daluxolo Village-88 units, Sisulu Village-15 units, Francies Meli-70 units & Mahlangu Village-91 units) - The project is at detail design stage. The tender for the appointment of the contractor for internal services and top structures will be advertised in August 2013

Potsdam Unit P - Stage 2 -900 units - The contractor is on site busy constructing the last 17 units, the project will be completed End July 2013.

Z. Soga - Project is complete.

Manyano & Thembelihle 850 units - 250 sites serviced. The contract was terminated due to poor performance. Annual contractors will be contracted to complete non serviced sites.

Potsdam East Kayelitsha 246 units - Assessment of defective units was done by NHBRC. PDoHS is in the process of procuring the service provider for contracts management.

Chris Hani - 304 units – rectification - Contractor was appointed in September 2012. Contract period is 6 month. The contractor performed poorly on site. A letter of default was issued to the contractor in April 2013. Non-performance report was forwarded to legal to start the process of terminating the contract. Awaiting a response.

Mdantsane Zone 18cc - Phase 1 - 427 units - House plans were presented to the beneficiaries. Tender document is almost ready. Regional Department is awaiting finalization of the contract between PDoHS and the appointed Engineer.

Mdantsane Zone 18cc - Phase 2 - 1500 units - Tender document for 500 internal services is almost ready for advertisement. Tender for the appointment of 500 internal services contractor will be advertised in July 2013. For the balance of 1000 units, tender for the appointment of professional team to design and project management services of internal services and top structures was advertised on the 28/06/2013.

Ikwezi Block 1-689 units - Tender for the appointment of professional team to design and project management services of internal services and top structures was advertised on the 28/06/2013.

Ikwezi Block 2-842 units - Tender for the appointment of professional team to design, and project management services of internal services and top structures was advertised on the 28/06/2013.

Potsdam North Kanana-928 units - Tender for the appointment of professional team to design, and project management services of internal services and top structures was advertised on the 28/06/2013.

Potsdam Village-800 units - Tender for the appointment of professional team to design, and project management services of internal services and top structures was advertised on the 28/06/2013.

Land Identification for the Relocation of Mdantsane Infill Areas (Informal Settlements) - The project is still in progress and entails - data collection on developable land in Mdantsane, site verification, database of state, private and unregistered land in Mdantsane.

Duncan Village Redevelopment Initiative (DVRI)

Chapter 3

Buffalo City Metropolitan Municipality embarked on the long term project known as the Duncan Village Redevelopment Initiative (DVRI). During this financial year, DVRI coordinated the following projects across Duncan Village:

Sanitation -

Diversion of Wilsonia Sewage Phase 1

Sewage Diversion (Drilling)

Reeston WWTW upgrade-civil works:

Supply and Delivery of 17 Movable Ablutions Blocks

Reeston Multi-purpose Community Centre

Duncan Village Business Plan

Duncan Village Eco-Park

Duncan Village Business Hives

In addition, the DVRI Housing Pilot project, which consists of 323 housing units (made up of 131 units in Competition site, 44 units in Mekeni and 148 units in Haven Hills) was underway during the year under review.

To assist the future development of housing, the Land Administration department has developed a DVRI Land Acquisition Programme which identified various parcels of land for development around the City. Some erven have been donated to Buffalo City Metropolitan Municipality by Provincial Department of Local Government and Traditional Affairs.

ALLOCATION & RELOCATION POLICY

Previously housing allocation was done in accordance with the housing policy and implementation plan that was approved in October 2004.

The new Allocation & Relocation Policy has been drafted in terms of National / Provincial guidelines. These policies set out guidelines in terms of housing allocation to beneficiaries, quota allocation, and the establishment of allocation committees with clear roles and responsibilities. This will ensure fairness, transparency and accountability which will eliminate fraud and corruption. The policies are expected to be approved by Council within the 2013 / 2014 financial year.

HOUSING ACCREDITATION (LEVEL 1 & LEVEL 2)

The National Accreditation Assessment Team has assessed Buffalo City Metropolitan Municipality and a recommendation has been made for BCMM to receive level 2 Accreditation.

Although the level 2 accreditation certificate has not yet been issued to Buffalo City Metropolitan Municipality, the Provincial Department of Human Settlements has agreed to provide funding to Buffalo City Metropolitan Municipality in the form of a Capacity Enhancement Grant.

This funding will assist Buffalo City Municipality to become sufficiently capacitated to undertake all the task of level 2 accreditation.

T 3.5.1

Percentage of households with access to basic housing			
Year end	**Total households (including in formal and informal settlements)**	**Households in formal settlements**	**Percentage of HHs in formal settlements**
2009/10	191731	142110	74.12
2010/11	206731	143672	69.50
2011/12	221731	145235	65.50
2012/13	236731	161235	68.11

T 3.5.2

Housing Service Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2011/2012**		**2012/2013**			**2013/2014**	**2014/2015**	**2015/20116**
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators **(i)**	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
Service Objective: To improve living conditions in BCMM Townships									
Improve mechanisms identified for Township Regeneration	Develop a DVRI business plan				Submission of DVRI business plan to Council	Situation analysis report completed	Approved Impact Assessment Study - MURP	Sustainability Plan	Implementation of the Sustainability Plan
	Procurement of a service provider to conduct the Mdantsane Quality of life survey.				Procurement of a service provider to conduct the impact of the programme in the node	Not achieved	Implementation of Phase 1 and 2 of the Business Plan	Phase 3 of the Business Plan implementation (implementation of the next set of priorities)	Review the Implementation Plan
Service Objective: To improve the quality of life through provision of formal houses									
Educate beneficiaries about home ownership	Number of beneficiaries educated about home ownership	Not reported on in this FY	Not reported on in this FY	Not reported on in this FY	4000	4039	4400	500 as per draft 2013 – 2014 IDP	600 as per draft 2013 – 2014 IDP
Provide housing opportunities	Number of housing opportunities provided (Top Structure)	680	833	833	709	432	1081	150 as per draft 2013 – 2014 IDP	350 as per draft 2013 – 2014 IDP

Housing Service Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2011/2012**		**2012/2013**			**2013/2014**	**2014/2015**	**2015/20116**
		Target	**Actual**	**Target**		**Actual**		**Target**	
Service Indicators									
	Number of housing opportunities provided (Internal Services)	218	0	0	900	77	2396	300 as per draft 2013 – 2014 IDP	600 as per draft 2013 – 2014 IDP
	Number of households allocated affordable social housing units	230	344	344	160	528	120	0	0
	The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan				80% with a variance of 5% negative	0.65			

T3.5.3

Employees: Housing Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		3	3	0	0%
4 - 6		4	4	0	0%
7 - 9		19	18	1	5%
10 - 12		6	6	0	0%
13 - 15		1	1	0	0%
16 - 18		1	0	1	100%
19 - 20		0	0	0	#DIV/0!
Total		34	32	2	6%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T 3.5.4*

Financial Performance Year 0: Housing Services					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	46,027	109,591	69,899	90,654	-21%
Expenditure:					
Employees	9,064	15,741	15,359	8,709	-81%
Repairs and Maintenance	26	41	41	40	-2%
Other	44,939	119,132	80,269	82,807	-44%
Total Operational Expenditure	54,029	134,913	95,669	91,556	-47%
Net Operational Expenditure	8,002	25,323	25,770	902	-2707%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. *T 3.5.5*

Capital Expenditure Year 0: Housing Services					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	62,989	56,391	36,705	-72%	
Reeston Phase 3 Stage 2 -P1 & P3	10,000	10,000	10,000	0%	31,500
Mdantsane Zone 18 CC Phase 2 - P1 & P3	2,000	2,000	22	-8911%	27,343
Manyano & Thembelihle Phase 2 - P1 & P3	8,000	4,642	2,218	-261%	4,842
Second Creek (Turn Key) - P1 & P3	8,000	4,000	1,345	-495%	4,100
Block Yard TRA - P 1& P3	1,000	1,000	–	-	1,000
DVRI Pilot Project (Mekeni, Haven Hills, Competition Site) P1 & P3	2,500	2,500	1,377	-82%	2,500
Cluster 1 (Chris Hani, Ilinge, Mahlangu Village, Sisulu Village,Winnie Mandela,Deluxolo Village & Francis Mei) P1 & P3	3,706	339	–	-	21,334
Cluster 2 (Masibambane, Masibulele, Velwano, Gwentshe Village, Mathemba Vuso) P1 & P3	600	474	407	-47%	15,298
Cluster 3 (Fynbos Informal 1, Fynbos Informal 2, Ndancama) P1 & P3	7,412	1,077	–	-	26,557
Sunny South - P1 & P3	600	600	578	-4%	3,600
Reeston Phase 3: Stage 2 - P1 & P3	15,000	–	–	-	25,000
Reeston Phase3 Stage 3 - P1 & P3	1,000	1,000	1,000	0%	12,119
Braelyn ext 10 - P1 & P3	300	300	–	-	5,347
C Section and Triangular Site - P1 & P3	270	270	–	-	7,365
D Hostel - P1 & P3	100	100	–	-	3,555
DVRI Pilot Project (Mekeni, Haven Hills, Competition Site) P1 & P3	2,500	–	–	-	100
Asset Replacement:2X Desktop Computer	–	17	14	100%	17
DVRI Pilot Project 323 units (Mekeni, Competition site, Haven Hills)	–	2,687	–	-	2,687
Block Yard TRA - P3	–	669	–	-	669
Reeston Phase 3 Stage 2 -P3	–	5,500	5,220	100%	5,500
Ilitha - Eradication of Wooden housese to Formal Houses	–	622	–	-	622
Manyano & Thembelihle Phase 2-P3	–	2,000	2,000	100%	2,000
Second Creek (Turn Key)-P3	–	8,000	8,000	100%	8,000
Masibambane-P3	–	225	225	100%	225
Masibulele-P3	–	149	149	100%	149
Velwano	–	425	425	100%	425
Gwentshe Village- P3	–	25	25	100%	25
Fynbos Informal 1-P3	–	423	355	100%	423
Fynbos Informal 2-P3	–	500	–	-	500
Mathemba Vuso-P3	–	275	275	100%	275
Deluxolo Village-P3	–	200	200	100%	200
Francis Mei-P3	–	100	40	100%	100
Mahlangu Village-P3	–	200	126	100%	200
Sisulu Village-P3	–	300	–	-	300
Sunny South-P3	–	517	517	100%	517
Block Yard TRA-P3	–	1,500	–	-	1,500
Westbank Restitution-P1	–	1,860	1,358	100%	1,860
Fynbos Informal 2-P2	–	250	–	-	250
Ndacama-P2	–	187	–	-	187
Ilitha - Eradication of Wooden Houses to Formal Houses	–	578	297	100%	578
Dimbaza Blind 27 Units - P1 & P3	–	100	–	-	100
Dimbaza 110 Units P1 & P3	–	290	175	100%	290
Tyutyu Phase 2 100 Units P1 & P3	–	290	155	100%	290
Airport Phase 2A Remaining 81 Units P1 & P3	–	200	200	100%	200

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.

T 3.5.6

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

Over the last financial year the Metro has had to grapple with the following inherent challenges, which lead to only 65% of its housing budget being spent:

The limited capacity of bulk services to meet the demands of new developments (roads, water, sewerage, electricity and storm-water) has been addressed by committing adequate funding over the next three years to provide the required capacity for the residential and economic growth of the city;

Adequate funding for the replacement of ageing infrastructure is required

Limited BCMM owned land in close proximity to the city centre;

Land invasions and uncontrolled growth of informal settlements on state owned land

Under performing service providers have a negative impact on the implementation of projects and expenditure.

In addition, since the restructuring at CoGTA and the Department of Local Government and Traditional Affairs (DLGTA), the Provincial URP unit has been closed and as such no support has been provided to the MURP ever since.

Other challenges which faced MURP included:

- A lack of inter-sphere platform for inputs;
- A lack of visible impact of the programme;
- A limited understanding of the new coordination role of the unit, as per a management decision, by service delivery departments;
- An over-reliance on donor funding for project implementation with no seed funding provided by the institution;
- Non-compliance with donor funding requirements;
- A high staff turnover within the MURP office.

T 3.5.7

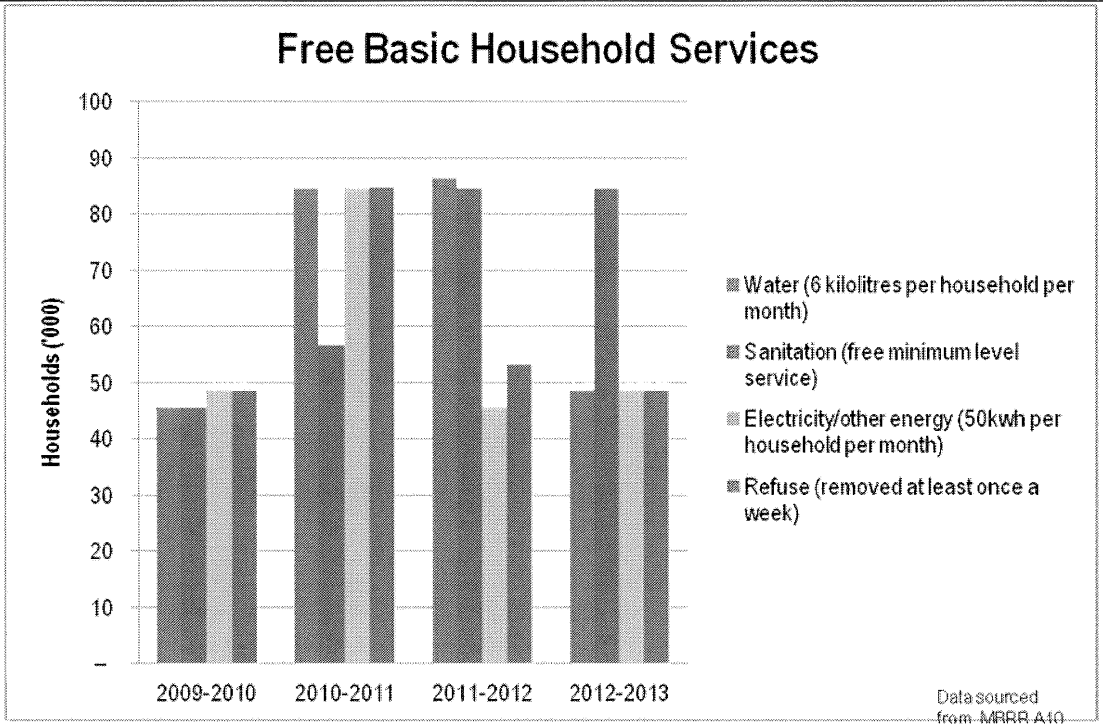
3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

Chapter 3

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

Council adopted a separate Indigent Support Policy in June 2010. This policy prescribes the qualifying criteria for a domestic household based on the Gross Household income equal to two social pension grants per month. Council currently requires all prospective indigents to apply in prescribed forms and to renew their status annually.

T 3.6.1



T 3.6.2

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R1,100 per month								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
Year -2	100,000	18,000	12,000	67%	10,000	56%	13,000	72%	7,000	39%
Year -1	103,000	18,500	13,000	70%	11,000	59%	14,500	78%	8,000	43%
Year 0	105,000	19,000	15,000	79%	12,000	63%	16,100	85%	9,000	47%

T 3.6.3

Financial Performance Year 0: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	Year -1	Year 0			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	N/A	26,991	26,991	N/A	N/A
Waste Water (Sanitation)	28,960	43,447	43,447	30,370	-43%
Electricity	N/A	25,656	25,656	N/A	N/A
Waste Management (Solid Waste)	35,906	73,942	73,942	28,282	-161%
Total	64,866	170,036	170,036	58,652	-190%
					T 3.6.4

Free Basic Service Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2011/2012**		**2012/2013**					
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators		***Previous Year (2010/11)**	**2011/2012**	**2011/2012 *Previous Year**	***Current Year**	***Current Year**	**2013/14**	**2014/15**	**2015/16**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
Service Objective: To ensure a seamless and coordinated provision of municipal services									
Provision of alternative support to low income households that do not receive all Free Basic Services	Low income households (**LIHs**) who do not receive all the free basic services but do receive alternative support	70,000 LIHs receiving support	54,240 LIHs receiving support	70,000 LIHs receiving support	59,240 LIHs receiving support	60,000 LIHs receiving support	59,240 LIHs receiving support	59,240 LIHs receiving support	64,240 LIHs receiving support

T 3.6.5

Chapter 3

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

To date the number of registered indigents increases despite the challenges of capacity and resources. Council also has a Funding agreement with Eskom to provide free basic electricity to approved indigents in the rural areas within BCMM.

T 3.6.6

COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and stormwater drainage.

INTRODUCTION TO ROAD TRANSPORT

T 3.7

3.7 ROADS

INTRODUCTION TO ROADS

Buffalo City Metropolitan Municipality (BCMM) has a surfaced road network of ±1501.5km with estimated replacement cost of ± R6, 1 billion (surfacing and structural replacement of surfaced roads) and a gravel road network of ±1229.5km with an estimated replacement cost of ± R0.34 billion.

In order to eliminate the road network backlog an amount of R600million is required for a period of three years in the capital budget.

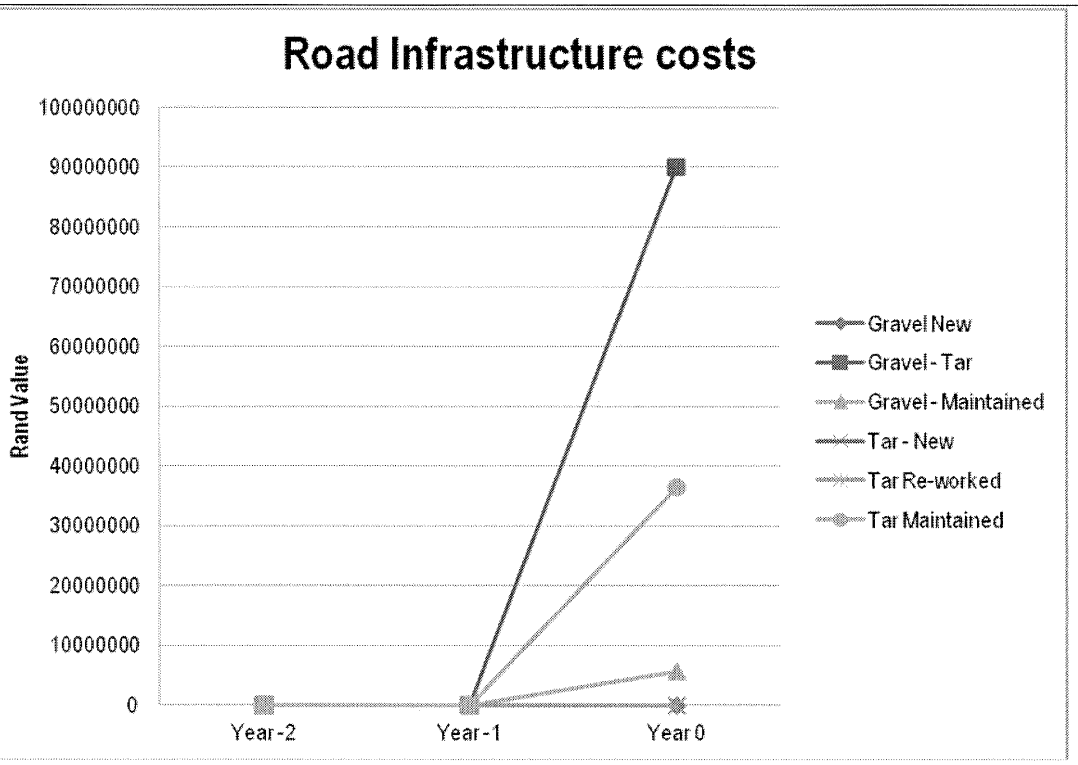
During financial 2012/2013 financial year, BCMM undertook the Bridge and Pavement Management System which outline the Conditional Assessment of the BCMM Road Network. This road roadwork is made up of 1229, 5km of Gravel Roads and the 1501, 5km of Surfaced Roads

T 3.7.1

Gravel Road Infrastructure Kilometres				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2010/2011	0	0	0	0
2011/2012	0	0	0	0
2012/2013	1229.5km	0	11.3km	484.8km
				T 3.7.2

Tarred Road Infrastructure Kilometres					
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2010/2011	0	0	0	0	0
2011/2012	0	0	0	0	0
2012/2013	1501.5km	0	4.9km	0	1497km
					T 3.7.3

Cost of Construction/Maintenance R' 000						
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
2010/2011	0	0	0	0	0	0
2011/2012	0	0	0	0	0	0
2012/2013	0	90000000	5544520	0	0	36408934
						T 3.7.4


Road Infrastructure costs
Rand Value
100000000
90000000
80000000
70000000
60000000
50000000
40000000
30000000
20000000
10000000
0
Year-2
Year-1
Year 0
Gravel New
Gravel - Tar
Gravel - Maintained
Tar - New
Tar Re-worked
Tar Maintained

T 3.7.5

Road Service Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2011/2012**		**2012/2013**			**2013/2014**	**2014/2015**	**2015/2016**
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators									
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
To provide an accessible all weather BCMM road network									
Kilometres of roads and associated services surfaced and maintained	existing roads gravelled or re-gravelled				50 kms	47.6 km			
	existing roads surfaced				10 kms	18.2 km			
	existing roads & associated services maintained and rehabilitated				600 km	116.5 km			
	Number of Bridges rehabilitated				1 -Westbank	1			
Elimination of gravel roads in townships	Kilometres of gravel roads tarred (Kilometres of gravel road remaining)				16.2 kms gravel roads tarred (4kms gravel roads remaining)	16.2 kms gravel roads tarred (4kms gravel roads remaining)	Baseline (20km) (4 kms gravel roads remaining)		
Development of municipal roads as required	Kilometres of municipal roads developed				16.2km	16.2km			

Road Service Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2011/2012**		**2012/2013**			**2013/2014**	**2014/2015**	**2015/2016**
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators **(i)**	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
Development of the BCMM Roads Masterplan	Masterplan prepared and adopted by Council				1	Report at Bid stage, to be awarded end of July 2013			
									T 3.7.6

Employees: Road Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		167	139	28	17%
4 - 6		45	39	6	13%
7 - 9		28	25	3	11%
10 - 12		16	13	3	19%
13 - 15		2	2	0	0%
16 - 18		2	2	0	0%
19 - 20		0	0	0	#DIV/0!
Total		260	220	40	15%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T3.7.7*

Financial Performance Year 0: Road Services					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	41,601	2,683	2,683	143,922	98%
Expenditure:					
Employees	37,961	45,003	44,674	39,386	-14%
Repairs and Maintenance	35,099	65,443	65,443	62,067	-5%
Other	169,119	139,070	139,924	334,468	58%
Total Operational Expenditure	242,178	249,515	250,040	435,921	43%
Net Operational Expenditure	200,578	246,832	247,357	291,999	15%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. *T 3.7.8*

Capital Expenditure Year 0: Road Services					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	120,000	179,677	141,574	15%	
West Bank Restitution	15,000	15,000	2,865	-424%	53,000
Quenera Main Roads	5,000	5,000	4,195	-19%	5,000
BCMM Roads Upgrade	30,000	30,000	20,471	-47%	110,000
Mdantsane Roads	60,000	60,000	45,686	-31%	265,903
Mdantsane Roads	–	12,596	12,596	100%	12,596
Vehicle replacementV 741	–	84	–	-	84
Vehicle replacement V382	–	600	–	-	600
Rehabilitation of Rural roads	10,000	10,150	9,663	-3%	45,000
Rehabilitation of Rural roads	–	25,948	26,098	100%	25,948
Vehicle replacement V156	–	300	–	-	300
BCMM Roads Upgrade	–	20,000	20,000	100%	20,000
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.7.9*

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

The road network of BCMM is rapidly deteriorating due to aging and adverse weather conditions (Bridges and Pavement Management System : 2012). BCMM is currently not able to address the matter promptly due to funding challenges. Currently BCMM is receiving about 35% of the required funding for rehabilitation and upgrading of its road network. This does, therefore, not assist the institution in performing at its peak when addressing roads challenges.

T 3.7.10

3.8 TRANSPORT (INCLUDING PUBLIC BUS OPERATION)

INTRODUCTION TO TRANSPORT

The BCMM transport system must provide all citizens with the opportunity to access work, school, community services and recreational activities in a safe and secure environment. This means that the integrated transport system should consist of viable choices ranging from affordable public transport services, private transport and safe walking and cycling opportunities. The provision of the transport system and services must consider the location of residential, business and industrial areas, institutions of learning and services. An integrated approach is important to ensure that the land use structure supports an efficient system. The special needs of the young, the elderly and disabled persons must also be provided for, so that the public transport system is accessible to all people.

Top 3 Priorities include:

Accessibility – A feasibility study for the provision of a bridge linking Needs Camp and Potsdam to provide access for residents to economic, educational and social opportunities in both areas has been completed. The design and implementation of the Ndevana Bridge will provide access to the local cemetery for the local community.

Mobility - The design and implementation of the widening of Gonubie Main Road to four traffic lanes and the provision of a side walk on the southern side to allow for improved mobility during peak hours.

Safety – The installation of traffic signals at the Wyse Ave and N6 intersection to reduce the number vehicle and pedestrian conflicts.

MAJOR SUCCESSES

The following are considered major success for BCMM, as both projects will have a significant socio-economic impact on the City:

A construction tender has been awarded for the Gonubie Main Road widening project to the value of R150 000 000.00. Additional funding has been secured for this project as follows: 2012/2013 – R63 000 000; 2013/2014 – R 55 000 000; 2014/2015 – R 35 000 000. Construction commenced in April 2013 and completion is expected to be finalised in October 2014.

The completion of the detailed design and favourable outcome of the Environmental Impact Assessment for the implementation of a structure/bridge and related roads in Ndevana,

providing access to a cemetery. A tender for the construction of this structure and road is currently being assessed and is expected to be awarded shortly. Construction is expected to take four months once on site.

CHALLENGES

An Operational Plan for the first Phase of the Proposed Bus Rapid Transit System was prepared and approved by the BCM Council on 6 May 2010. Service providers were appointed to commence with the engineering design for the bus ways and work has been completed to preliminary design stage including topographical surveys for the Phase 1A BRT routes.

Additional planning work is required which mainly involves the development of the business planning of the BRT system, but also includes project management, architecture, mechanical, electrical and electronic engineering, legal services, town planning services and marketing and communications planning. A tender for this appointment was awarded in December 2011, but the award was challenged by a losing bidder. As a result, the project is on hold pending the outcome of the High Court, following the court hearing which was held on 21 and 22 June 2012. To date there is no judgement from the court and the project remains on hold to the extent that the City has returned Grant Funding to the tune of R249 000 000.00 for the project back to National Treasury. This delay could cause the City to lose all funding earmarked for the project leaving the City without a viable public transport system.

TRAFFIC ENGINEERING

A traffic study was completed in the King Williams Town CBD to establish current traffic volumes and develop updated signal timing plans. (R158 177)

Traffic signal control equipment is being procured for use in the King Williams Town CBD to replace close- to- obsolete signal control equipment. The new signal controllers will be installed during the new signal timings implementation phase. (R 900,500.00)

Implementation and rehabilitation of traffic safety measures across the City – (R600, 000.) This includes the installation of traffic signals at the intersection of Wyse Avenue and the N6, which traffic volumes and developments in the Abbotsford area warranted.

LED traffic signal heads are currently being phased in to replace the older signal head technologies like halogen and incandescent. The LED signal heads are much more energy efficient and also improve safety because of the better visibility in direct sunlight. LED kits are also retrofitted to existing signal heads to avoid unnecessary scrapping of heads that are still in a good mechanical condition but have failing optical components (R 1,289,000)

On-going implementation of the Buffalo City Metropolitan Municipality's guidance signage system which includes Guidance, Tourism and Local Destination type signage. This signage system is necessary to aid all road users to navigate the road network within the BCMM and arrive safely at their intended destination with reduced journey times. (586,446.00)



Figure – Upgrade of traffic signal heads to LED



Figure – Installation of traffic signals at the intersection of Wyse Avenue and the N6

PUBLIC TRANSPORT (MUNICIPAL BUS SERVICE)

BCMM operates a fleet of 33 municipal buses. In order to make the bus system more user friendly, the Metro has embarked on a process of consolidating numerous facilities into more attractive, modern and economically viable hubs, where a range of services can be provided to commuters and operators and which will make public transport a more comfortable and secure mode of travel. Procurement issues have, however, led to delays in appointing suitable service providers.

T 3.8.1

Municipal Bus Service Data					
		2011/2012	2012/2013		2013/2014
	Details	Actual No.	Estimate No.	Actual No.	Estimate No.
1	Passenger journeys	not available	not available	not available	not available
2	Seats available for all journeys	various size buses	various size buses	various size buses	various size buses
3	Average Unused Bus Capacity for all journeys	not available	25%	25%	25%
4	Size of bus fleet at year end	33	33	33	33
5	Average number of Buses off the road at any one time	not available	25%	25%	25%
6	Proportion of the fleet off road at any one time	not available	25%	25%	25%
7	No. of Bus journeys scheduled	15	15	15	15
8	No. of journeys cancelled	not available	not available	not available	not available
9	Proportion of journeys cancelled	not available	not available	not available	not available

T 3.8.2

Transport Service Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2011/2012**		**2012/2013**			**2013/2014**	**2014/2015**	**2015/2016**
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators									
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
Service Objective: Provide Integrated and sustainable transport systems by implementing programmes and projects emanating from Integrated Transport Plan (ITP)									
To develop a balanced multi-modal safe and integrated transport system that promotes mobility and accessibility	The Integrated Transport Plan of BCMM is the over arching plan that guides transport development in the City and should be reviewed annually as per the National Land Transport Act 2009.	Council adoption of reviewed ITP.	Service Provider appointed to carry out review		Council adoption of reviewed ITP.	Review complete and report to Council for adoption	Review and Update Arterial Road Plan	Update Integrated Transport Plan	
Provide integrated and sustainable transport systems by implementing programmes and projects emanating from integrated transport plan	Projects identified through the Integrated Transport Plan must be implemented to ensure that the BCMM Transport System promotes mobility and accessibility	5	4		5	5	8	10	
									T 3.8.3

Employees: Transport Services					
Job Level	Year -1	Year 2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		6	5	1	17%
4 - 6		8	6	2	25%
7 - 9		27	24	3	11%
10 - 12		7	6	1	14%
13 - 15		3	1	2	67%
16 - 18		3	2	1	33%
19 - 20		1	0	1	100%
Total		55	44	11	20%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T3.8.4*

Financial Performance Year 0: Transport Services					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	46,732	56,083	56,083	48,021	-17%
Expenditure:					
Employees	34,562	43,165	43,085	37,385	-15%
Repairs and Maintenance	1,775	3,012	2,962	950	-217%
Other	17,628	18,224	18,666	15,133	-20%
Total Operational Expenditure	53,965	64,401	64,712	53,469	-20%
Net Operational Expenditure	7,233	8,318	8,629	5,448	-53%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. *T 3.8.5*

Capital Expenditure Year 0: Transport Services					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	120,902	107,737	62,452	-94%	
Potsdam/Needscamp Bridge feasibility Study	–	234	205	100%	234
Bus Rapid Transit	78,702	3,000	133	-58923%	81,762
Construction of BRT lines	–	30,000	–	-!	30,000
Integrated Transport Plan Implementation	3,000	3,000	0	-	9,000
Public Transport Facilities	23,000	6,000	0	-	58,000
Gonubie Main Road	15,000	45,000	44,885	67%	85,000
N2/R72 Link Road Survey	1,200	–	–	-	–
Traffic Management Measures	–	1,289	–	-	1,289
Guidance Signage	–	586	–	-	586
Rural Non Motorised Transport Facilities (Ndevana Bridge)	–	178	178	100%	178
Public Transport Facilities - Taxi Ranks	–	2,356	959	100%	2,356
Gonubie Main Road	–	16,093	16,093	100%	16,093
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.8.6*

COMMENT ON THE PERFORMANCE OF TRANSPORT OVERALL:

BCMM has spent 69% its adjusted capital budget allocation for the 2012/13 financial year, however the unspent conditional grant funding is committed to contracts that have been awarded already.

Bus Rapid Transit – In the Buffalo City area currently, 82% of public transport trips/passenger trips are made using minibus-taxis, 9% of the trips are made using standard buses and 9% use trains. The minibus-taxis services are informal and are therefore unreliable, expensive and can be unsafe. Thus it is the responsibility of the City to provide a safe, secure and reliable service to its residents. To date the National Department of Transport has allocated approximately R350 million through the Public Transport infrastructure Grant to the Phase 1 implementation of this project. At present however the project is on hold due to a legal challenge by service providers which were not appointed to carry out the comprehensive services that are required to see this project to fruition. This delay has meant that the funds that have been allocated to the project have not been spent and a large portion of these funds have now been returned to the National Department. This project will be completed in less than 5 years.

Gonubie Main Road widening – The City has a shortage of developable land within the Urban Edge that can be used effectively to assist in the City's growth. The land between Beacon Bay and Gonubie can assist the City in this process. However, accessibility to the land has been restricted by the traffic congestion that is experienced in the area. The widening of the Gonubie Main Road will increase the capacity of the road thereby making access more favourable and allowing the City to grow as required. This project will be completed in less than 5 years.

Public Transport Facilities – Public Transport facilities within the City are outdated, lack facilities for users and operators alike and are generally not well located for commuters. The City has therefore embarked on a process of consolidating numerous facilities into more attractive, modern and economically viable hubs where a range of services can be provided to commuters and operators to make public transport a more comfortable and secure mode of travel. Procurement issues have lead to delays in appointing suitable service providers to assist the City in progressing with this project. This has lead to significant under expenditure of the allocated budget for this project. During the midyear budget adjustment process funding was reallocated to other projects within the municipality.

Integrated Transport Plan Implementation - It is the responsibility of the City to ensure that commuters on all modes of transport are able to access the various opportunities the City has to offer in a secure, safe and reliable manner. The ITP that is developed by the City includes all components of the transport system, including the movement of people and freight on the road and rail systems, public transport services, non-motorized transport, and traffic safety. Projects identified in the ITP are then implemented in order of priority to achieve the desired levels of service. Procurement issues have lead to delays in the appointment of suitable service providers to assist the City in progressing with this project. This has lead to significant under expenditure of the allocated budget for this project. It is expected however going forward that the bulk of the budget allocation for the current and outer years will be spent within the allocated period.

T 3.8.7

3.9 WASTE WATER (STORMWATER DRAINAGE)

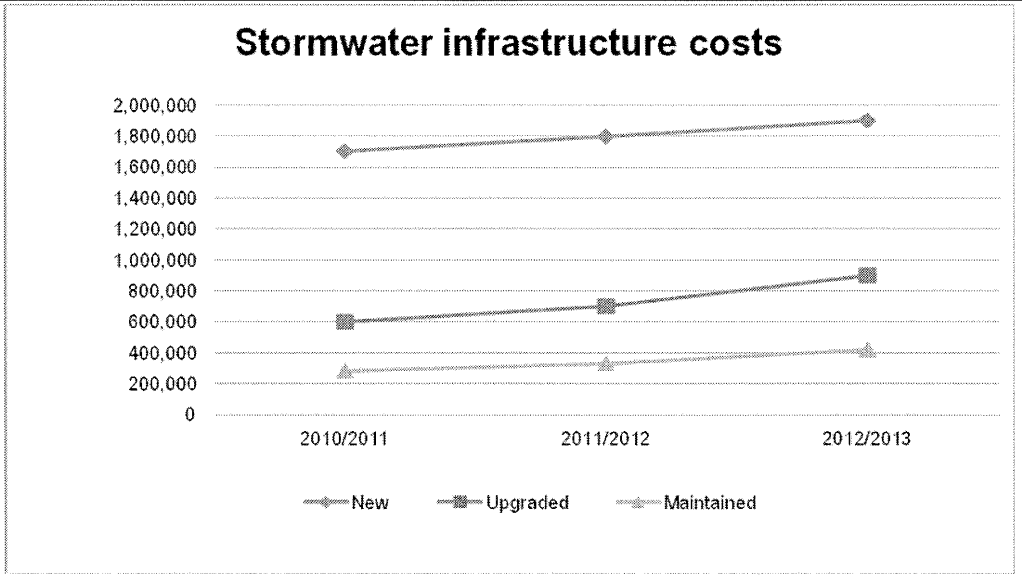
INTRODUCTION TO STORMWATER DRAINAGE

The Bridge and Pavement Management System which outlines the Conditional Assessment of the BCMM Road Network, also includes the storm water structures assessment.

T 3.9.1

Stormwater Infrastructure Kilometres				
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2010/2011	145	15	10	100
2011/2012	160	20	12	120
2012/2013	166	25	14	140
				T 3.9.2

Cost of Construction/Maintenance R' 000			
	Stormwater Measures		
	New	Upgraded	Maintained
2010/2011	1 700 000	600 000	280 000
2011/2012	1 800 000	700 000	330 000
2012/2013	1 900 000	900 000	420 000
			T 3.9.3



T 3.9.4

Employees: Stormmwater Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		1	1	0	0%
4 - 6		2	2	0	0%
7 - 9		6	6	0	0%
10 - 12		6	6	0	0%
13 - 15		2	2	0	0%
16 - 18		1	1	0	0%
19 - 20		0	0	0	#DIV/0!
Total	0	18	18	0	0%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T 3.9.6*

Financial Performance 2012/2013: Stormwater Services					R'000
Details	2011/2012	2012/2013			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	**25 406**	**326**	**326**	**101**	**-222%**
Expenditure:					
Employees	21 217	24 132	24 186	16 228	-49%
Repairs and Maintenance	25 956	38 273	38 273	31 720	-21%
Other	32 619	34 081	34 935	15 657	-118%
Total Operational Expenditure	**79 793**	**96 485**	**97 394**	**63 605**	**-52%**
Net Operational Expenditure	**54 386**	**96 160**	**97 069**	**63 504**	**-51%**

T 3.9.7

Capital Expenditure Year 0: Stormwater Services					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	–	626	624	100%	
East Bank Comm Second Aeration	–	615	615	100%	615
Asset Replacement :Desktop	–	11	9	100%	11

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. *T 3.9.8*

Chapter 3

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:
BCMM has fully spent its adjusted capital budget allocation for the 2012/13 financial year.

The Bridge and Pavement Management System, which outlines the Conditional Assessment of the BCMM Road Network, includes the stormwater structures assessment. Funding is required to repair and replace aged and collapsing structures.

T3.9.9

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; land use management; land survey and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

The City Planning Division consists of **three operational/functional** areas namely:

Forward Planning: Deals with the long term Spatial Planning for Buffalo City Metropolitan Municipality, which includes the Spatial Development Framework and Local Spatial Development Frameworks. Provides information and guidance in regard to Forward Planning and deals with issues/queries related to Forward Planning. Provides information and guidance in regard to future development and what is permissible, or not, on land in Buffalo City.

Land Use Management: Deals with applications, procedures, queries and matters related to the following:

Rezoning of land

Subdivision of land

Special Consents (eg. Professional offices, crèches etc)

Permanent Departures (eg Relaxation of building lines)

Temporary Departures (temporary change in land use eg. B&B)

Information and queries in regard to Zoning Scheme Regulations

Information and queries in regard to Development Rights

What is permissible on a specific parcel of land or erf (land use)

Illegal land use complaints

Scrutinizing Building Plans in terms of Zoning Scheme

Settlement Planning: Planning interventions and issues in regard to layout planning, formalization, Establishment of Residential Townships / New Settlements (Planning for Public funding housing developments / low cost housing projects); Planning interventions and issues in relation to Rural Villages; Feasibility studies regarding future planning and upgrading of settlements.

In addition, the **Land Survey** branch provides the following services to other divisions in BCMM: (1) Issuing of maps and digital data; (2) Ward mapping; (3) Sourcing Aerial and satellite imagery; (4) Relocation and replacement of beacons; (5) Subdivisions, consolidation, servitude and lease surveys; (6) Township surveys; (7) Engineering and topographical surveys; (8) Examining building plans and land admin and city planning circulations; (9) Upgrading of townships in terms of the Land Tenure Rights Act No. 112 of 1991; (10) Encroachment surveys, etc

T 3.10

3.10 PLANNING

INTRODUCTION TO PLANNING

During the 2014/2015012/2013, the following Planning projects were undertaken:

Gonubie Main Road Local Spatial Development Framework was completed and approved.

The objective of the LSDF is to provide land use guidelines for office and retail businesses which want to invest in Gonubie. The guidelines will provide clarity to investors and facilitate the formation and growth of businesses and, as a result job creation

Kwelera Local Spatial Development Framework was completed and approved.

The objective of the Kwelera LSDF was to provide policy guidelines to control the expansion of the development in this largely rural area and at the same time find a solution to the land invasion at the Gonubie Farmers Hall

Bhisho/KWT and Mdantsane Local Spatial Development Frameworks have been completed and have been submitted to Council for approval

The objective of the Bhisho/KWT and the Mdantsane LSDF's was to provide spatial guidance for the upgrade and regeneration of both urban areas

BCMM Spatial Development Framework Review is close to completion. The objective of the SDF Review was to update and review the SDF of 2003 in order to ensure that the overall spatial guidance for the city is relevant and up to date

BCMM Informal Settlement Study

The purpose of the study was to identify and classify (formalisation/ in-situ upgrading / relocation) all informal settlements within BCMM. BCMM now have an implementation programme to deal with the informal settlements. The BCMM Informal Settlement Study was completed and approved by Council. This information was used to access technical support and finance (±R5m) form the National Human Settlements Department for the upgrading and formalisation of 30 informal settlements within the City. The National Upgrade Support Programme (NUSP) is due to commence in BCMM early in the new financial year.

Mdantsane Infill Areas Phase 2: Land Identification Study for the Relocation of Infill Areas in Mdantsane. A study was undertaken to identify all developable land in Mdantsane for the relocation of ± 1800 informal structures identified as not being suitable / safe in their current position. The results of the study have shown that there are enough vacant developable land parcels in Mdantsane to accommodate close to 2500 informal structures. The Mdantsane Infill Areas Phase 2: Land Identification Study for the Relocation of Infill Areas in Mdantsane was completed and approved by Council. The process of land acquisition from the State (Department of Public Works) has commenced.

Feasibility Study for Amalinda Junction and Environs Phase – Concept Plan was completed and approved by Council

BCMM is the majority land owner in the area known as the Amalinda Junction. The Feasibility study for Amalinda Junction indicated the best alternative land use to be a mixed land use approach which will meet the future developmental needs of the City. The Feasibility Study for Amalinda Junction and Environs – Concept Plan was completed and approved by Council

Township Establishment for Potsdam Unit V

Planning for the area known as Unit V in Potsdam, linking up with Mdantsane, was commenced in previous years. The layout plan makes provision for ±4000 residential erven and other land uses. The township establishment for Potsdam Unit V has been completed, submitted and approved in principle by Council; to be forwarded to the MEC in Bhisho for final approval.

BCMM Rural Settlement Development Plan.

The purpose of the study was to identify all rural settlements and review their spatial development needs. The study identified settlements currently under developmental pressure and those which have remained the same for the past ten years. Rural settlement nodes have been proposed in the study for areas of greater public investment. The BCMM Rural Settlement Development Plan has been completed and submitted to Council for approval.

Duncan Village Township Establishment Projects

The formalisation of key areas within Duncan Village was undertaken through a comprehensive planning approach. The methodology was to try and accommodate and retain as many households as possible within Duncan Village. Formal township establishment was undertaken and final layout plans, with their respective motivation reports, have been circulated and advertised for final comments for Duncan Village C-Section, Duncan Village Proper, Duncan Village D-Hostel and Braelyn Extension 10 North. Once all public and internal comments have been dealt with, the township establishment proposals shall be submitted to Council for formal approval.

Survey Projects completed during the period under review include:

General Plans of Majali, Nkqonkqweni, Kwatrain, Esixekweni, Skobeni and Mdange.

Projects in the process of being completed are:

Aerial Photography, LiDAR and Pictometry

Survey of BCMM owned properties

General Plans of Hanover, Fynbos 1, Fynbos 2 and Ndancama

Investigations into Gonubie Main Road and Riegers Gullsway land claims

Sewer servitude for the R300m Reeston underground sewer pipeline project

Relocation plan for taxis and hawkers for the Gillwell Retail Park

New projects in the pipeline:

Survey of more BCMM owned properties

General Plans for Daluxolo, Francis Mei, Gwetshe, Mahlangu

General Plans for Duncan Village D-Hostel, Duncan Village Proper, Duncan Village C-Section and Braelyn Ext 10

LiDAR and Pictometry components of aerial survey have been acquired, which will provide 3-D and measurement capabilities to the orthophoto imagery. Previously the DEM/DTM were of a low quality with accuracies of the order of ±1,5 metres. Now the LiDAR survey will provide contours with an accuracy of 10cm to one sigma. The Pictometry will give BCMM staff the capability to look around buildings, bridges or any other 3-D object, thus cutting down on the necessity of some field visits. One could also measure objects like the height of a building, width and length of buildings. This will be especially useful for the Valuations, Planning and Engineering Departments.

Currently, about 80% of all survey work is outsourced and 20% is done in-house. More work is increasingly been outsourced to the private sector due to it being more cost-effective.

CHALLENGES FOR 2012/2014:

Implementation of programs and projects not aligned to BCMM approved Spatial Plans.

Poor Alignment and coordination of programmes within BCMM and other spheres of Government

Filling of critical vacant funded and unfunded posts

Retention of skilled and experienced staff

Internal and external delays in provision of comments affects turnaround times for Planning applications

Poor attendance at Planning Project Steering Committees meetings by other Departments.

An increase in unauthorized land uses and the extremely time consuming process to close down such unauthorized land uses.

The approved Provisional General Plans for Fynbos and Ndancama are being amended due to environmental issues.

The erven for Fynbos and Ndancama cannot be beaconed due to the existence of shacks and bush. TRA's are needed to resolve this problem.

The ICT network has not grown at the same pace as the Municipality, resulting in the system being prone to breakdowns, bottlenecks and a general slowdown in the service over the past few years. The Survey Division is heavily dependent on the ICT system and any improvements in the ICT system will have a beneficial impact on the Survey Division's activities.

Supply Chain Management challenges have resulted in delays in the prourement of services.

Funds are required for the following: (a) For conveyancing for the transfer of individual erven situated in the Yellowwoods settlements to the relevant beneficiaries; and (b) for the Mdantsane boundary rectification project.

T 3.10.1

Applications for Land Use Development						
Detail	**Formalisation of Townships**		**Rezoning**		**Built Environment**	
	2011/2012	**2012/2013**	**2011/2012**	**2012/2013**	**2011/2012**	**2012/2013**
Planning application received		4		34		
Determination made in year of receipt		0		11		
Determination made in following year		4		0		
Applications withdrawn		0		1		
Applications outstanding at year end		4		22		

T 3.10.2

Planning Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2011/2012**		**2012/2013**			**2013/2014**	**2015/2016**	
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators **(i)**	**(ii)**	***Previous Year** **(iii)**	**(iv)**	***Previous Year** **(v)**	***Current Year** **(vi)**	**(vii)**	***Current Year** **(viii)**	***Current Year** **(ix)**	***Following Year** **(x)**
Service Objective To guide an integrated spatial development and growth in BCMM.									
Completed layout plans ready for approval		5	5	5	4	4	4	3	2
Number of completed local spatial development frameworks		4	3	4	2	1	2	2	3

T 3.10.3

Employees: Planning Services					
Job Level	Year -1	Year 2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		11	9	2	18%
4 - 6		13	12	1	8%
7 - 9		16	15	1	6%
10 - 12		42	33	9	21%
13 - 15		11	10	1	9%
16 - 18		3	3	0	0%
19 - 20		2	2	0	0%
Total		98	84	14	14%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T 3.10.4*

Financial Performance Year 0: Planning Services					
					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	29,839	23,944	25,289	103,362	77%
Expenditure:					
Employees	52,202	60,209	59,793	53,048	-13%
Repairs and Maintenance	1,438	2,210	2,210	606	-265%
Other	108,724	129,367	129,773	124,455	-4%
Total Operational Expenditure	162,364	191,786	191,776	178,110	-8%
Net Operational Expenditure	132,525	167,842	166,486	74,747	-125%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. *T 3.10.5*

Capital Expenditure Year 0: Planning Services					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	16,764	27,327	15,890	-5%	
Asset Replacement:Desktop computer	–	8	8	100%	8
Upgrading of KWT Payments Hall	4,000	–	–		1,000
Insurance vehicle replacement - M10/32	–	152	143	100%	152
Land Acquisition	12,764	16,764	9,662	-32%	88,764
Sleeper Site Current Year R12 764 000	–	3,236	295	100%	3,236
Land Acquisition -General	–	347	–	-	347
Land Acquisition -General	–	5,517	5,517	100%	5,517
Upgrading of City Hall	–	825	266	100%	825
KWT Civic Centre Payments Hall Upgrade	–	478	–	-	478
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.10.6*

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

BCMM has spent 66% its adjusted capital budget allocation for the 2012/13 financial year, however the unspent funding is committed to contracts that have been awarded already.

T 3.10.7

Chapter 3

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVLOPMENT

The focus of the Department has been to support and promote entrepreneurship, facilitate trade and attract investment and market Buffalo City as a tourism destination. In delivering this mandate of Local Economic Development, BCMM has partnered with institutions involved economic development i.e. the East London Industrial Development Zone, Eastern Cape Development Corporation, and Small Enterprise Development Agency.

The Department has placed increased emphasis on the following programmatic activities: Agriculture and Rural Development; Tourism Development and Promotion; SMME Development; and Trade and Investment.

The department has reviewed and finalized various sector plans to inform its strategic planning process. In this regard the Tourism Master Plan, Cooperative Development Strategy and Integrated Agricultural and Rural Development Strategy will be submitted to Council for approval. The SMME Development Strategy and Trade and Investment Strategy are in the development phase. These sector plans are to ensure that the municipality' approach to key sectors is strategic, with clear, well defined interventions.

In terms of both medium- and long-term planning, the municipality is developing a Metro Growth Development Strategy. This process will assist the municipality with its long-term planning and visioning.

Industry stakeholders remain an integral part of driving economic development, thus the municipality has implemented various programmes in partnership with industry. In the year under review various forums have been established and are functioning i.e. SMME Forum, Cooperative Forum, Tourism Association and Agricultural Stakeholders forum. These forums meet from time to time to discuss and input in Council initiatives and they are a strong linkage between the municipality and industry.

The City Manager is coordinating a high level engagement between big and established business and the municipality. This forum is an Economic Advisory Forum and made up of the Chief Executive Officers of East London Industrial Development Zone. The forum focus on major development priorities like Harbour Development and Investment opportunities for the cities

BCMM offers business support and tourism centres in the nodal areas where there is poverty and underdevelopment. The business centres are the Mdantsane One Stop, Duncan Village Business Hives and Dimbaza Wall of Fame. The centres provide start up business

information, facilitate business registration, develop business plans and act as project managers.

ACHIEVEMENTS OF 2012/2013

Key achievements during the 2012/13 financial year include the following:

Agriculture and Rural Development

In the period under review Buffalo City has anchored rural development under Agriculture. In support the Agriculture sectors; Buffalo City has implemented the following programmes.

Buffalo City Urban Agriculture Infrastructure Development Programme,

Rural Development

Buffalo City Agriculture and Rural Development

Agriculture

Hydroponics Packshed

During the 2012/13 financial year Buffalo City Unit has continued its partnership programme through the International Relations department a partnership with the city of Tuscany (Italy) that is formally called NetsAfrica. The programme seeks to enhance economic development initiatives through supporting of Hydroponics. Through the partnership the city benefits in the following areas:

Mobilisation of resources to support agriculture initiatives

Provision of technical expertise and knowledge

Creating possible linkages

Training and Capacity in the agriculture

BCMM and Netsafrica have provided a pack shed for tomato producers around BCMM. This pack shed is being utilised by 6 tomato producers, to wash, grade, pack and market their produce via this pack shed. BCMM and Netsafrica have also developed a website for the pack shed.

Through this partnership a Round Table Forum has been established and is on-going which serves as a platform for networking and discussing issues pertaining to agricultural production. The Round Table seeks to harness the production standards of the tomato growers and link them with relevant marketing outlets.

Buffalo City has an on-going partnership with the Provincial Department of Agriculture, and implements a number of programmes in partnership with the DoA. These programmes include:

Buffalo City Urban Agriculture Infrastructure Development Programme - The above mentioned programme the municipality has constructed the hydroponics and shade net in the Dimbaza area. The programmes focus on job creation, skills development and promote livelihood.

Rural Development - In support of rural economic activity with focus in agriculture, the municipality has constructed two (2) cattle dip tanks in the Ncera village and Majali village. This was to ensure emerging farmers have access to such a facility which is critical in the breeding of animals. Furthermore the fences were erected to demarcate the grazing lands in the Ngxwalane village and Mthinkhulu farm. A storage shed was constructed at Celizapolo farm to assist a small scale farmer who is doing a dairy production.

Training and Capacity Building – During the 2012/13 financial year, the department has assisted farmers with training and capacity building for a 6-month period. Buffalo City Metropolitan Municipality provided the following training which benefited 7 co operatives around BCMM

Buffalo city organic producers - NU 18 Mdantsane

Kwalunga agric. Coop - NU 15 Mdantsane

Qonto Agric. Co op - NU 12 Mdantsane

Sakhisizwe agric. Coop - NU 6 Mdantsane

Velanani coop - Qongqotha KWT

Umzamo wethu Agric. Co op - Nxaruni

5 UP Agric. Co op - Dimbaza

Lastly, BCMM was involved as one of the organisers of the Farmers Agricultural Show, in 2012/13.

Tourism Development and Promotion

Buffalo City has continued to strengthen its relations with other key tourism stakeholders during the period under review. This included engaging with Eastern Cape Parks and Tourism Agency with the purpose of identifying areas of alignment and cooperation. This

process of engagement culminated into the drafting of the memorandum of understanding between the two entities which outlines the following as areas of cooperation:

Partnership towards the hosting of major events that will yield tourism benefits and economic spin-offs;

Tourism marketing and promotion;

Training and Capacity Building programs; and

Tourism Research and Information Services.

Buffalo City has also made inroads towards establishing a relationship with South African Tourism, and has received numerous invitations to partner with South African Tourism in some of their marketing missions in the foreign countries. In January 2013 Buffalo City participated in the India Travel Trade Workshop organized by South African Tourism, which was held in four different cities in India and was attended by over 800 travel agencies and tour operators.

The municipality has also established a good relationship with the Department of Economic Development Environmental affairs and Tourism as well as the National Department of Tourism and is receiving good support towards some of the projects jointly implemented.

Marketing and Promotion

BCMM continues to market and promote Buffalo City as a destination of choice in various marketing mediums which are as follows:

Tourism Publications: During the 2012/2013 financial year, Buffalo City advertised in the following tourism publications:

Sawubona Magazine - a South African Airways in-flight magazine

Indwe Magazine – a South African Express in-flight magazine

Kuluma – a Kulula in-flight magazine

Getaway Magazine – a magazine that promotes various tourism destinations

Explore Magazine

Wedding Album

AA Traveller

Southern Sun Equinox

Sunshine Golf Tour Magazine

Buffalo City 360 Magazine

Skyways

Rock, Surf and Deep

Encounter Africa 9

Tourism Exhibitions: Buffalo City participated in a number of key tourism expo's and exhibition shows. The purpose is to showcase what Buffalo City has to offer as a destination of choice and disseminate information. In the 2012/2013 financial year, Buffalo City Metropolitan Municipality participated in the following tourism shows:

Getaway Show Johannesburg;

Adventure Outdoor Show in Cape Town;

Getaway Show Cape Town;

The Beeld Travel Show in Johannesburg;

Indaba Tourism Show in Durban;

Adventure outdoor show in Johannesburg ; and

Namibia Tourism Expo.

In the 2012/2013 Buffalo City metropolitan developed three brochures that have extensive information on the tourism product of the area and these are:

Buffalo City Visitor Guide – this is an activity guide. It gives information on things to do and see in Buffalo City.

Buffalo City Accommodation, Conference and Wedding Guide – this is a guide that gives a list of all the accommodation, conference facilities and wedding venues available in Buffalo City

Buffalo City Street Guide – This is a map that assist tourists to be able to easily get around the city.

All three tools have been well received by the industry. The brochures are distributed throughout the country through brochure management services.

Buffalo City has developed a dedicated tourism website. This website is very interactive. It gives detailed information on what Buffalo City has to offer as a destination of choice. As part of this the municipality will develop a smart phone application as well as digital tourism brochure in order to make sure that its tourism information is easily accessible.

Buffalo City is slowly becoming an event destination of choice. The hosting of major events assists in increasing the visitor numbers to the city and reduces seasonality. It also helps in creating brand awareness. In the 2012/2013 financial year Buffalo City hosted and supported the following events:

Revival of the East London Harbour Festival held in June

Hosting of the National Tourism Career Expo in September

Hosting of the South African Traditional Music Awards in October

Hosting of the Buyelekhaya Jazz Festival in December

Hosting of the Summer Season Programme in December

Hosting of the Africa Open in January

Hosting of the Ironman in January

Hosting of the International Cricket Match in January

Hosting of the Senior Citizens Golf Tournament

There are many other events that are hosted in the city and are organized by the private sector. As part of the plan moving forward, Buffalo City is planning to develop an events strategy as well as event policy.

Having realised its shortcomings when it comes to tourism information BCMM is looking at establishing tourism information offices at key strategic points. The municipality is currently finalizing discussions with Airport Company South Africa to set up a fully fledge tourism information office. A suitable location has been identified along the beachfront to establish a regional information office as well as in King Williams Town. These offices will be the first point of entry for people who are looking for tourism related information in the city. The opening of these offices is in line with the National Frameworks of Visitor Information Centres.

The role of government is to provide a conducive environment for the private sector to operate. It is also the role of government to ensure that transformation in the tourism industry takes place. To carry out both the above-mentioned mandates, Buffalo City has continued to

provide training and capacity building programs in partnership with other stakeholders. In the 2012/2013 financial year, Buffalo City Metropolitan Municipality provided the following training which benefited 200 individuals:

Advanced cooking course – the training targets individuals in the Bed and Breakfast business.

E-marketing training – the training is intended to equip tourism businesses with skills in order to be able to take advantage of the e-marketing tools available to effectively and efficiently market their individual businesses.

Customer Care Training

As part of its mandate to grow and support tourism SMME's, Buffalo City has supported Tourism SMME's with the following:

Tourism Signage

Grading of the establishment

Printing of marketing material

The Tourism Product Development program involves the development of the tourism infrastructure. In the 2012/2013 financial year, Buffalo City continued with the implementation of two of its tourism projects that are funded by the National Department of Tourism i.e. Kiwane Campsite and Tyolomnqa Wilderness Camp. As part of the tourism product development, Buffalo City has identified the upgrading of the beach front as a priority in the next financial year.

Business Development

The National Growth Plan and the National Development Plan have identified SMMEs as key in addressing the triple challenge of poverty, unemployment and inequality and as such the Buffalo City Metropolitan Municipality (BCMM) has prioritised the growth and development of the sector. The sector is the backbone of economic development and job creation in the city. Initiatives undertaken by the city in the realisation of the above-mentioned objective are outlined in the sections below. The report also gives an overview of the city's 2013/2014 plans to further enhance the development of SMMEs in the city.

Lack of capacity was identified as an impediment in achieving sustainable growth and development by SMMEs as a result the city, in collaboration with other relevant stakeholders such as SEDA, ECDC, DEDEAT, NYDA, etc. put together a packaged capacity building and training programme that focused on institutional factors. To this end, four training projects were implemented during the 2012/2013 financial year and are outlined below:

Business management

Cooperative governance

Customer care

Tender advice

A total of 80 SMMEs and cooperatives benefited from the above-mentioned training intervention. A follow-up handholding and mentoring programme is currently underway.

Twenty CIDB grade 1 emerging contractors from Mdantsane and surrounding areas were put through a CETA accredited emerging contractor development programme, aimed at building their capacity in running their businesses sustainably and to also bid for work advertised by government, the private sector and the civil society sector. The training, pitched at NQF Level 2, had two phases namely the theoretical and the practical phases. To date, one of the above-mentioned emerging contractors was able to secure a R200 000 construction contract at the Cecilia Makiwane Hospital in Mdantsane.

Access to markets by SMMEs is one of the challenges facing SMMEs in the country as a whole. Ten SMMEs and cooperatives were given an opportunity to market their products and services to the Home Expo held in Hemmingways on the 13-17 of June 2013. The event was aimed at profiling established and up-coming businesses and to also provide a networking opportunity for the same. BCMM's support to the participating SMMEs was in the form of purchasing exhibition stands for the SMMEs and to also support them throughout the exhibition.

In responding to the lack of access to finance by SMMEs, BCMM set aside an amount of R1 million during the 2012/2013 financial year to support primary cooperatives by purchasing equipment they require in order to do business. Twelve primary cooperatives benefited from the above-mentioned fund and their equipment was handed over by the Executive Mayor in February 2013.

Two primary cooperatives in Mdantsane were assisted to put together business plans to source funding from the DEDEAT LRED funding. Both cooperative's applications were subsequently approved by the above-mentioned department and they received R1 million and R2 million respectively. The funding is used for growing their cooperatives and enlarging their scope.

The city has identified cooperative development as key to addressing the challenge of unemployment poverty in its communities. The Cooperative Development Strategy is complete and the strategy will be implemented in the next financial year once

Trade and Investment

Trade and Investment is critical factor for sustained economic development and growth. Key objective was to increase and attract foreign and domestic investment. This objective would be met by implementing three research initiatives:

- Economic Intelligence;
- Business Retention and Expansion (BRE); and
- Invest Buffalo City.

Economic recession had a negative in the investment recruitment and attraction. Further more limited internal and external resources compromised the implementation of projects earmarked to achieve this noble objective.

Annual Business Unlimited Expo was successful event held to promote local businesses. Five SMME's were supported by the department to participate in the event. The support included the registration to the pre-event training, exhibition stand to exhibit products and participates in workshop targeted to SMME's.

Partnerships with institutions involved in Investment recruitment was explored with East London Industrial Development Zone (ELIDZ), Eastern Cape Development Corporation and the Border Kei Chamber on the Invest Buffalo City initiative.

KEY CHALLENGES OF THE DEPARTMENT

- Lack of financial support and technical staff for Agriculture and Rural Development.
- Lack of clear provincial approach on Rural Development other than Agriculture.
- Human Resource Capacity and funding for critical unfunded posts.
- Limited budget to fund economic development initiatives for both capital and operating budget.
- Red Tape and cumbersome municipal processes

T 3.11.1

Economic Activity by Sector			R '000
Sector	**2010/2011**	**2011/2012**	**2012/2013**
Agric, forestry and fishing	2	1.5	1.5
Mining and quarrying	6	5	2
Manufacturing	56	58	63
Wholesale and retail trade	45	51	52
Finance, property, etc.	51	48	52
Govt, community and social services	23	25	25
Infrastructure services	34	38	41
Total	217	226.5	236.5

T 3.11.2

Economic Employment by Sector			Jobs
Sector	2013/2014 No.	2011/2012 No.	2012/2013 No.
Agric, forestry and fishing	20 000	25 000	30 000
Mining and quarrying	400 000	435 000	372 000
Manufacturing	320 000	300 000	270 000
Wholesale and retail trade	190 000	200 000	210 000
Finance, property, etc.	275 000	255 000	235 000
Govt, community and social services	300 000	310 000	320 000
Infrastructure services	400 000	430 000	450 000
Total	1905000	1955000	1887000
			T 3.11.3

COMMENT ON LOCAL JOB OPPORTUNITIES:

The unemployment rate in the Eastern Cape increased from 28.8% in third quarter 2012 to 29.8% in the fourth quarter 2012, 1.0 percentage point higher than that of the previous quarter. In fourth quarter, unemployment rate decrease in six of the nine provinces.

69 000 jobs were lost in the Eastern Cape (highest in the country). Half of these jobs were lost in the informal sector.

Most jobs in the Eastern Cape were lost in the two biggest employers (Community & Social Services sector employs 320 000 workers and lost 28 000 jobs, and Trade sector employs 284 000 workers and lost 29 000 jobs)

While the Manufacturing sector increased jobs by 11 000, followed by Private Households (7,000) and Mining sectors (1,000), all other sectors shed jobs.

Consequently, 82 000 to 125 000 people joined the discouraged work-seekers. These are people who gave up looking for jobs.

T 3.11.4

Jobs Created during 2012/2013 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	**Jobs created No.**	**Jobs lost/displaced by other initiatives No.**	**Net total jobs created in year No.**	**Method of validating jobs created/lost**
Total (all initiatives) 4				
2010/2011				
2011/2012				
2012/2013	216	none	216	POE's (attendance register and business plans)
Construction of the Kiwane Resort	70	None	70	POE's (attendance register and business plans)
Operations of the hydroponics project	96	None	96	POE's (attendance register and business plans)
Operations of the Macademia Nuts	30	None	30	POE's (attendance register and business plans)
Construction of the Dip Tank	20	None	20	POE's (attendance register and business plans)
				T 3.11.5

Year	EPWP Projects No.	Jobs created through EPWP projects No.	Full Time Equivalent No.
2010/11	152	2158	844.6
2011/12	185	1855	726
2012/13	207	1271	497.6

Local Economic Development Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2011/2012**		**2012/2013**			**2013/2014**	**2014/15**	**2015/16**
		Target	**Actual**	**Target**		**Actual**		**Target**	
Service Indicators **(i)**	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
Service Objective : To develop and grow BCMM economy focusing on the key growth sectors which include amongst others, Tourism, Agriculture, Manufacturing, Automotive, Construction, and services sectors.									
Implement skills and sector development programs to support and grow the economy in line with Provincial Industrial Policy	Number of economic empowerment programmes implemented	13	13	13	15	15	18	18	21
	Number of economic support programmes implemented				3	3	3	3	6
Develop and implement economic development policies/strategies to promote	Number of policies/strategies developed and reviewed	2	1	1	3	1	2	2	5
Implement tourism growth and marketing programmes to position BCMM as a tourists destination	Number of marketing initiatives undertaken to market the city	14	14	14	16	16	18	18	24
Implement infrastructure that will contribute towards the economic growth	Number of economic infrastructure projects implemented	4	4	4	4	4	4	4	8

T 3.11.7

Employees: Local Economic Development Services					
Job Level	Year -1	2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		17	16	1	6%
4 - 6		26	23	3	12%
7 - 9		2	1	1	50%
10 - 12		3	2	1	33%
13 - 15		3	2	1	33%
16 - 18		0	0	0	#DIV/0!
19 - 20		0	0	0	#DIV/0!
Total		51	44	7	14%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T 3.11.8*

Financial Performance Year 0: Local Economic Development Services					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	15,178	18,199	18,199	16,419	-11%
Expenditure:					
Employees	6,992	7,886	7,847	7,897	0%
Repairs and Maintenance	679	747	747	738	-1%
Other	5,397	5,591	5,609	5,716	2%
Total Operational Expenditure	13,068	14,224	14,203	14,351	1%
Net Operational Expenditure	(2,110)	(3,976)	(3,997)	(2,067)	-92%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. *T 3.11.9*

Capital Expenditure Year 0: Economic Development Services					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	20,255	25,893	7,172	-182%	
BCMM Urban Agriculture Infrastructure Development	8,000	8,000	1,295	-518%	8,000
Economic Development Infrastructure (Heritage Route Development; Rollout of Informal Traders Stalls)	12,255	–	–	-	50,000
SMME Co-operative Support	–	1,000	612	100%	1,000
Market Cold Room system	–	6,000	6	100%	6,000
Rural Development	–	2,000	1,027	100%	2,000
Tourism Infrastructure	–	1,255	795	100%	1,255
Trade and Investment Automative Centre	–	2,000	2	100%	2,000
Tourism Infrastructure development	–	1,216	–	-	1,216
Buffalo city AGRIC & Rural Development Infrastructure	–	803	–	-	803
Extension of Sales Hall	–	1,999	1,641	100%	1,999
Roll- out Hydroponics	–	1,118	1,490	100%	1,118
V812 FWN 143EC - M12/134	–	145	–	-	145
Upgrade of Market	–	357	304	100%	357
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.11.10*

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

In the fourth quarter 2012 (4Q2012) report focuses on the latest economic development trends of South Africa (SA) and pays specific attention on the performance of the Eastern Cape (EC) economy. In the fourth quarter the South African economy picked up following setback suffered by labour in the mining sector in third quarter. Growth in real gross domestic product (GDP) for SA economy increased from annualised rate of 1.2% quarter on quarter to 2.1% in 4Q2012. In the Eastern Cape, the economy increased to 2.5% in the fourth quarter of

2012 from 1.7% attained in the third quarter of 2012. The South African GDP modest acceleration reflected an increase in production in both secondary and tertiary sector.

South Africa's growth for 2012 has narrowed to 2.5% from 3.5% in 2011. The growth has declined by 1.0 percentage points from previous year.

The sector with the strongest growth rate is the agriculture sector (10%) and it is the second smallest sector in the South African economy. The growth of this sector is highly cyclical.

The second best performing sector is manufacturing sector with the growth of 5.0% in the same period. This sector still faces weak demand for a lot of its output both at home and abroad, therefore, no clear signs of whether this quarter's growth in the New Year can be sustained. Finance sector is the third best performing sector for this quarter with a growth of 2.9% and it is the sector with the largest contribution towards growth in South Africa. In term of employment contribution, the Eastern Cape's contribution has increased by 1.5 percentage points from the previous quarter.

Labour absorption rate dropped by 1.7% and the labour force participation rate by 1.8% This is an indication that the province's ability to absorb new people entering the labour market is gradually declining.

Therefore the Economic performance in the Eastern Cape for the fourth improved even though the growth experienced in the fourth quarter did not translate to employment. There are positive prospects of economic growth in the coming 2013/14.

T 3.11.11

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

The Department of Community Services is comprised of the following Divisions, namely Amenities, Arts & Cultural Services and Environmental Services. Amenities is in charge of community facilities, e.g. Sportsfields, Beaches, Zoo, Aquarium, Resorts and Swimming Pools; Arts & Cultural Services is looking at the provision of Art Galleries and Centres, Libraries and Halls; Environmental Services is in charge of cemeteries, horticulture and arboriculture. These services are for all BCMM communities

T 3.52

3.12 LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

INTRODUCTION TO LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

Arts & Cultural Services is responsible for the management of 17 libraries and 36 halls within Buffalo City Metropolitan Municipality as well as an Art Gallery and 2 Art Centres. R4 million was budgeted for the 2012/2013 financial year for renovation of halls. Halls are often used as emergency shelter for communities experiencing a disaster.

T3.12.1

SERVICE STATISTICS FOR LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

Halls recorded some 3712 number of bookings for the 2012/2013 financial year.

Libraries have issued some 480 000 number of books for the 2012/2013 financial year.

The Ann Bryant Art Gallery recorded an average of 1500 visitors per month during the 2012/2013 financial year.

The Gompo & Mdantsane Art Centres recorded an average of 2400 & 2200 visitors per month respectively during the 2012/2013 financial year.

T 3.12.2

Libraries; Archives; Museums; Galleries; Community Facilities; Other Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2011/2012**		**2012/2013**			**2013/2014**	**2015/2016**	
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators **(i)**	**(ii)**	***Previous Year** **(iii)**	**(iv)**	***Previous Year** **(v)**	***Current Year** **(vi)**	**(vii)**	***Current Year** **(viii)**	***Current Year** **(ix)**	***Following Year** **(x)**
Service Objective: To provide adequate amenities to all BCMM communities									
To provide adequate amenities to all BCMM communities	Development & Upgrading of Community Halls								
	Number of Halls Upgraded	5	0	5	10	12	12	Not available	Not available
	Number of Halls Constructed	1	1	1	0	0	0	Not available	Not available

T 3.12.3

Employees: ARTS & CULTURAL SERVICES					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		84	76	8	10%
4 - 6		63	59	4	6%
7 - 9		39	36	3	8%
10 - 12		29	26	3	10%
13 - 15		3	2	1	33%
16 - 18		0	0	0	#DIV/0!
19 - 20		0	0	0	#DIV/0!
Total		218	199	19	9%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T 3.12.4*

Financial Performance Year 0: Libraries; Archives; Museums; Galleries; Community Facilities; Other					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	11,433	8,229	8,229	7,276	-13%
Expenditure:					
Employees	48,761	46,952	47,375	49,998	6%
Repairs and Maintenance	3,028	1,526	1,526	1,144	-33%
Other	21,774	26,005	26,754	25,343	-3%
Total Operational Expenditure	73,563	74,483	75,655	76,485	3%
Net Operational Expenditure	62,129	66,254	67,426	69,209	4%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. *T 3.12.5*

Capital Expenditure Year 0: Libraries; Archives; Museums; Galleries; Community Facilities; Other					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	6,000	13,249	1,860	-223%	
Development of Community Parks(Inland, Midlands and Coastal)	2,000	2,000	–	-	10,000
Asset replacement TV SET-A12/77	–	3	3	100%	3
Asset replacement TV SET-A12/81	–	4	4	100%	4
Desktop Computer - A11/119	–	9	7	100%	9
Asset Replacement 3X Brush cutters - A11/126	–	32	24	100%	32
Asset Replacement 4 X Trimmers - A11/93	–	42	33	100%	42
Asset Replacement 5 X Trimmers - A11/92	–	52	42	100%	52
Asset replacement 6 X Brush cutters - A12/78	–	76	66	100%	76
Development and Upgrading of Community Halls	4,000	4,000	–	-	54,000
Continuation of refurbishment of KWT Hall/ Cambridge	–	1,355	207	100%	1,355
Upgrading of Esplanade	–	2,000	–	-	2,000
Upgrading of Aquarium	–	750	–	-	750
Upgrading of Gonubie Boardwalk	–	750	–	-	750
Upgrading of Zoo offices & ablution blocks	–	550	530	100%	550
Fencing of Zoo c/o	–	368	93	100%	368
Intergrated Beach Front hub	–	500	437	100%	500
Development of Community Parks(Mdantsane, Potsdam, Reeston)	–	473	160	100%	473
Insurance vehicle replacement - M11/55	–	285	254	100%	285
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.12.6*

COMMENT ON THE PERFORMANCE OF LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC) OVERALL:

Community halls play an important socio-cultural role within communities and it is important to maintain and extend this municipal service. The R4 million provided for the 2012/2013 financial year was utilized at 10 community halls and all the funding was spent.

T 3.12.7

3.13 CEMETORIES AND CREMATORIUMS

The Cemetery and Crematorium Division is responsible for the establishment, development, management and running of the cemetery and crematoria. The growing demand for new cemeteries poses a challenge, which is being addressed by the on-going process of planning and investigation. There are many factors that influence the need for more burial land in BCMM, including the following:

Urbanisation

Motarlity rate

Migration

Consultants are currently conducting EIA's for the identification of suitable land in order to develop a cemetery for the Ginsberg community. Work is in progress for the construction of road infrastructure in the Dimbaza cemetery. The King William's Town cemetery extension has been completed and is due to be opened for burials in due course. Suitable land was identified for the extension of the Mdantsane NU 15 cemetery. The Department has completed the levelling of the site, which will be followed by the construction of the internal roads network, which is already work in progress.

The Haven Hills cemetery has been extended as the cemetery had reached full capacity. Work is in progress for the construction of road infrastructure as well as the fencing of the cemetery.

An amount of R 5 million was received from USDG and budgeted for the Development and Upgrading of Cemeteries in the Inland, Midland and Coastal areas. The funding was utilised for the Construction of roads in Dimbaza, upgrading of cemetery buildings (Phakamisa, Zwelitsha, NU 15, Crematorium, Breidbach and Buffalo Flats), construction of road infrastructure and a bridge at the King William's Town cemetery, levelling of extension to both the Haven Hills and Mdantsane NU 15 cemeteries, and the construction of roads in NU 15 cemetery.

The funding has also been used for the on-going investigations of cemeteries (EIA's) in the Inland, Midland and Coastal areas viz. King William's Town, Ginsberg, Breidbach, Mdantsane and East London.

T 3.13.1

SERVICE STATISTICS FOR CEMETORIES & CREMATORIUMS			
Burial and Crematorium Statistics (July 2012 to June 2013)			
MONTH	NO. BURIALS	NO. CREMATIONS	TOTAL
July 2012	554	97	651
August 2012	446	107	553
September 2012	480	106	586
October 2012	480	92	572
November 2012	375	77	452
December 2012	465	89	554
January 2013	390	97	487
February 2013	391	48	439
March 2013	494	78	572
April 2013	303	63	366
May 2013	438	102	540
June 2013	500	130	630
TOTAL: 6400			
			T 3.13.2

Employees: Cemetories and Cremotoriums					
Job Level	Year -1	Year 2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		101	89	12	12%
4 - 6		17	15	2	12%
7 - 9		6	5	1	17%
10 - 12		3	0	0	0%
13 - 15		1	0	0	0%
16 - 18		0	0	0	#DIV/0!
19 - 20		0	0	0	#DIV/0!
Total		128	109	15	12%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T 3.13.4*

Financial Performance Year 0: Cemetories and Crematoriums					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	6,797	6,725	6,725	11,887	43%
Expenditure:					
Employees	15,978	16,972	18,360	16,877	-1%
Repairs and Maintenance	267	278	278	233	-19%
Other	6,068	6,194	6,236	6,623	6%
Total Operational Expenditure	22,313	23,444	24,875	23,734	1%
Net Operational Expenditure	15,516	16,719	18,150	11,847	-41%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. *T 3.13.5*

Capital Expenditure Year 0: Cemetories and Crematoriums					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	5,000	7,443	5,034	1%	
Development and Upgrading of Cemetries(Inland, Midland and Coastal)	5,000	5,000	2,621	-91%	37,041
Development of 3 New Cemetries(Inland, Midland and Coastal)Fencing Zwelitsha Cemetries	–	2,443	2,414	100%	2,443
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.13.6*

COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIUMS OVERALL:

The Department is gradually turning the corner in terms of identification of suitable burial space. This will go a long way towards addressing the critical shortage of burial land in BCM.

A new cemetery environment has to be established that will align cemetery design, planning and development with the Buffalo City Metro's strategic goals and objectives. Aspects to be looked at include:

Cemeteries that meet sustainable, technical and environmental criteria;

Cemeteries that accommodate Buffalo City's diverse cultural requirements, while also functioning as significant public spaces, thus ensuring that the broader community's needs are provided for all in order to reflect a dignified city;

Building civil society and private sector partnerships in cemetery development and management; and

Giving special attention to the indigent, respecting the needs of bereavement at burial, protecting the cemeteries as public property and ensuring safe working conditions for employees working in cemeteries.

T 3.13.7

3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

T 3.14.1

BCMM has adopted a cross-cutting approach to ensure that the vulnerable groups across the City are included in the developmental agenda of the Metro. To this end, a number of projects and programmes were implemented during the year under review.

The Buffalo City Metropolitan Municipality Bursary Fund benefited 29 students from disadvantaged backgrounds, who pursued studies in various scarce skills fields.

The Metro AIDS Council (MAC) conducted three key programmes during 2012/2013:

Sakhikamva High School (Ward 29) School Behavioural Change Programme – which seeks to raise HIV and AIDS awareness and to encourage young people to refrain from risky social behaviours; and

The Red Card Inter Residents tournament, conducted in partnership with Walter Sisulu University, under the theme *First Things First,* which sought to promote the involvement of young students – especially men – in the prevention of HIV and AIDS, STI, TB and unwanted pregnancies.

A three day HIV awareness campaign at Mzamomhle (Ward 28), which has added value to and complemented the School Life Orientation programme which is part of the school syllabus.

BCMM officially launched the Women's Caucus in March 2012. The Caucus is a politically driven mechanism which concretizes the Metro's commitment to prioritizing, and mainstreaming women-related issues. It seeks to empower women in Council to make a meaningful contribution in Council related issues and on issues affecting women in general. Women councillors have gained more insight in terms of their roles and relevant Local Government legislation. This Caucus was operational during the 2012/2013 year.

The annual Mayoral Christmas Party for the Elderly and Blanket Distribution sought to make the elderly feel appreciated over the festive season. Senior citizens from Breidbach (Ward 44), Eluxolweni (Ward 6), and Scenery Park (Ward 13) were the beneficiaries in December 2012.

The Mayoral Christmas Toy Distribution to hospitalized children put a smile on children's faces in Bhisho Hospital, Nkqubela TB hospital, Cecelia Makiwane Hospital and Frere Hospital.

The Metro's 3 Youth Advisory Centres in Mdantsane, Gompo and King Williams Town are operational, providing internet access to both in and out of school youth, so as to enable them to search for job opportunities and undertake school related activities.

T 3.14.2

CHILD CARE; AGED CARE; SOCIAL PROGRAMMES Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2011/2012**		**2012/2013**					
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators		**2010/11**	**2011/2012**	**From 2011/2012**	**2012-2013**		**2013/14**	**2014/15**	**2015/16**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
Service Objective - Enhance development and Improve Institutional Capacity through International Partnerships									
Partnerships established to support programmes	No of Partnerships established				2	Partnerships operation with City of Oldenburg			
	12 Existing Programmes as follows - Good Governance housing, Sludge management, Youth at Risk, Keys for Kids, Upgrading of Aspiranza Clinic, Safe Park, Lighting project, Hydroponics, Electricity, Floodplain, Solid Waste, Sanitation.				14 (2 new programmes)	2 new projects achieved			
To Establish an Enabling Environment for the Vulnerable Groups to Benefit from the BCMM Socio – Economic Agenda									
Programmes Implemented which are responsive to the needs Vulnerable Groups	Awarding of Bursary to the targeted Beneficiaries	28	28	28	ongoing	29	29	29	30
	Youth Outreach Programmes for targeted beneficiaries	29301	29301	29301	42433	42433	42433	42433	54400

CHILD CARE; AGED CARE; SOCIAL PROGRAMMES Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2011/2012**		**2012/2013**					
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators		**2010/11**	**2011/2012**	**From 2011/2012**	**2012-2013**		**2013/14**	**2014/15**	**2015/16**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
	Career Guidance Service offered to Beneficiaries (Walk ins)	17703	17703	17703	20488	20488	20488	20488	25963
	Mainstreaming Capacity-building Sessions for the Vulnerable Groups Forums, Metro AIDS Council and Women's Caucus	0	0	0	5	5	5	5	7
									T 3.14.3

Employees: DAYCARE					
Job Level	Year -1	Year 2012/2013			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3		0	0	0	#DIV/0!
4 - 6		0	0	0	#DIV/0!
7 - 9		0	0	0	#DIV/0!
10 - 12		2	2	0	0%
13 - 15		0	0	0	#DIV/0!
16 - 18		0	0	0	#DIV/0!
19 - 20		0	0	0	#DIV/0!
Total		2	2	0	0%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T 3.14.4*

Note: The above table only reflects the Day Care office, as the SPU office is included in T3.2.4.4 and is not reflected here. The SPU office is included in the Executive office.

COMMENT ON THE PERFORMANCE OF CHILD CARE; AGED CARE; SOCIAL PROGRAMMES OVERALL:

These programmes are catered for within the budget & operations of all other departments

T 3.14.7

COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape; and costal protection.

INTRODUCTION TO ENVIRONMENTAL PROTECTION

The aesthetical appearance of every city is based on the landscaping of public open spaces through greening and beautification initiatives. In addition, the long term sustainability of a city is largely dependent on a healthy eco-system, within which waste and pollution are minimised and carefully managed.

T 3.14

3.15 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL

The promulgation of the National Environmental Management Air Quality Act, 2005, (AQA) redefined the role which BCMM is required to play in terms of Air Quality. BCMM attained Metro status in May 2011, which increased BCMM's responsibility in this field, making it legally bound to also undertake the Air Emission Licensing function. In terms of the AQA and related National legislation and policy, BCMM's functions include:

Development of an Air Quality Management Plan (AQMP) for incorporation into BCMM's Integrated Development Plan.

Assessment and identification of priority pollutants, sources and areas.

Monitoring of ambient air quality.

Monitoring of emissions from sources and areas by the development and maintenance of an emissions inventory.

Establishment of local emission standards, should this be necessary, to improve air quality in the area.

Appointment of an Air Quality Officer.

Provision of the Air Emission Licensing function.

T 3.15.1

SERVICE STATISTICS FOR POLLUTION CONTROL

In May 2012 Council designated the Chief Environmental Health Practitioner, in charge of the Health Department's Environmental Pollution Unit, as the Municipality's Air Quality Officer, and in July 2012 Council approved and adopted an Air Quality Management Plan for the City. The Municipality commenced monitoring ambient air quality in 2007 and currently operates two state of the art automated air quality monitoring stations measuring a range of air pollutants as well as meteorological parameters. The air quality monitoring program has established that the air quality in the City generally complies with acceptable National Standards. In June 2012 a service provider appointed by BCMM completed the project for the development of an air emission inventory for the City. The Municipality has not as yet taken on the air emission licensing function due to capacity challenges. The Eastern Cape Provincial Air Quality Officer is presently performing this function. *T 3.15.2*

Pollution Control Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**Year 2011/2012**		**2012/2013**			**213/2014**	**2014/2015**	**2015/2016**
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators									
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
Service Objective: To deliver sustainable infrastructure that supports social and economic development									
Promote sustainable management and conservation of all BCMM natural resources	Water:								
	Air: Develop and Implement and Air Quality Management Plan	100%	100%	100%					

T 3.15.3

COMMENT ON THE PERFORMANCE OF POLLUTION CONTROL OVERALL:

Financial Performance Year 0: Pollution Control

R'000

Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	150	–	122	–	#DIV/0!
Expenditure:					
Employees	890	1,203	1,119	568	-112%
Repairs and Maintenance	2	4	4	1	-290%
Other	250	672	794	210	-219%
Total Operational Expenditure	1,142	1,879	1,916	779	-141%
Net Operational Expenditure	992	1,879	1,794	779	-141%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. *T 3.15.5*

Buffalo City has two fixed state of art continuous air monitoring stations located at Beaconsfield Road East London and in Zwelitsha. These stations monitor meteorological conditions and the following pollutants:

Sulphur dioxide concentrations,

Nitrogen dioxide concentrations,

Particulate matter smaller than 10 microns,

Ozone concentrations, and

Carbon monoxide concentrations.

During the period under review none of the pollutants monitored exceeded the National Ambient Air Quality Standards.

T 3.15.7

3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

Climate change has been identified as one of the threats to development in BCMM, which requires that the Metro carefully considers its vulnerability. A Climate Change Strategy is crucial developing a better understanding of the implications of this phenomenon on the Metro.

The South African Constitution (Section 24) and the National Environmental Management Act, 1998 (Act No. 107 of 1998) clearly articulate the right of every South African citizen to a healthy environment. Based upon these pieces of legislation, and in response to the challenge of Local Agenda 21, BCMM has embarked upon a process of developing an Integrated Environmental Management Plan and an Integrated Coastal Zone Management Plan (IEMP & ICZMP).

Furthermore, in order to promote a healthy lifestyle, BCMM undertakes the establishment of play parks within all regions of BCMM. The priority in this regard is to provide recreational facilities and promote tree planting. During the financial year under review, ten (10) sites were levelled in preparation of development, play park equipment and furniture was installed and thirty (30) trees were planted on the newly established sites.

T 3.16.1

Employees: environmental services

Job Level	Year -1	Year 2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		174	164	10	6%
4 - 6		202	188	14	7%
7 - 9		38	30	8	21%
10 - 12		13	10	3	23%
13 - 15		2	2	0	0%
16 - 18		2	2	0	0%
19 - 20		0	0	0	#DIV/0!
Total		431	396	35	8%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T 3.16.4*

Financial Performance Year 0: Bio-Diversity; Landscape and Other					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	727	318	318	348	9%
Expenditure:					
Employees	59,134	61,610	61,559	63,009	2%
Repairs and Maintenance	3,770	3,840	4,015	3,718	-3%
Other	14,094	12,961	13,889	14,086	8%
Total Operational Expenditure	76,998	78,411	79,463	80,812	3%
Net Operational Expenditure	76,270	78,093	79,146	80,464	3%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.16.5*

Capital Expenditure Year 0: Bio-Diversity; Landscape and Other					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	9,100	12,880	7,908	-15%	
Security CCTV Beach Front	–	1,000	63	100%	1,000
Chainsaw -A11/57	–	6	6	100%	6
Desktop Computer - A11/96	–	7	7	100%	7
BCMM Fleet Management System	3,100	3,100	–	-	10,600
BCMM Fleet	6,000	6,000	5,767	-4%	36,000
Traffic and Law Enforcement Fleet	–	2,645	1,955	100%	2,645
Desktop Computer - A12/27	–	9	7	100%	9
Wireless Backbore : KWT - A12/12	–	43	43	100%	43
Telemetry Equipment - A12/50	–	70	60	100%	70
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.16.6*

COMMENT ON THE PERFORMANCE OF BIO-DIVERSITY; LANDSCAPE AND OTHER OVERALL:

The Integrated Environmental Management Plan Unit (IEMP) is, through HR, working towards the filling of vacant funded positions in order to address the issue of staff capacity, as the Unit is critically understaffed.

Currently there is no operating budget for the maintenance phase. R3million in capital funding has been approved for the development of 13 Parks. The variation between the approved and actual budgets is R2million.

T 3.16.7

COMPONENT F: HEALTH

This component includes: clinics; ambulance services; and health inspections.

INTRODUCTION TO HEALTH

Note: Recent legislation includes the National Health Act 2004.

The Health Department of Buffalo City Municipality formerly comprised three units, namely: Primary Health Care (Clinics); Health Support (Attic); and Environmental Health (Municipal Health Services). The Primary Health Care and Health Support units were devolved to the Provincial Department of Health as from the 1st of July 2012. Municipal Health Services is therefore the only core function of the Metro's Health Department.

T 3.17

3.17 CLINICS

INTRODUCTION TO CLINICS

The Clinics function was transferred to the Provincial Department of Health at the beginning of the Financial Year. The capital and operational budgets reflected below were allocated to enable a smooth transition of this service.

T 3.17.1

Employees: Clinics					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0	0%
7 - 9	6	8	6	2	25%
10 - 12	7	15	7	8	53%
13 - 15	9	15	9	6	40%
16 - 18	11	21	11	10	48%
19 - 20	18	30	18	12	40%
Total	55	93	55	38	41%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T 3.17.4*

Financial Performance Year 0: Clinics					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	74,042	–	–	–	0
Expenditure:					
Employees	30,722	5,208	3,825	2,099	-148%
Repairs and Maintenance	1,105	233	233	24	-873%
Other	2,767	3,681	5,274	3,213	-15%
Total Operational Expenditure	34,594	9,122	9,333	5,335	-71%
Net Operational Expenditure	(39,448)	9,122	9,333	5,335	-71%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. *T 3.17.5*

Capital Expenditure 2012/2013: Clinics					R' 000
Capital Projects	2012/2013				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	-	101,400	-	-	101,400
Vehicle	-	101,400	-	-	101,400
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.17.6*

3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABATTOIR LICENCING AND INSPECTIONS, ETC

Environmental Health Services (EHS) - now called Municipal Health Services (MHS) - was historically the responsibility of different service providers, including Amathole District Municipality, the Eastern Cape Department of Health and Buffalo City Health Department. The provision of MHS has now become the mandate of this new Metropolitan Municipality. MHS cover those aspects of human health, including quality of life, that are determined by physical, chemical, biological, social and psycho-social factors in the environment.

T 3.19.1

SERVICE STATISTICS FOR HEALTH INSPECTION, ETC

In this financial year, the area of focus by the MHS Unit was food control, which includes the inspection, monitoring and enforcement of food legislation in the formal and informal sectors, ensuring optimal hygiene control. Food safety control is also ensured by sampling programmes and enforcing compliance with labelling and ingredient standards. Activities related to the safe handling of meat and meat products is restricted, thus ensuring that butcheries obtain meat from an approved source (abattoir).It should be noted that no meat inspections and examinations of abattoirs were conducted during the period under review.

T 3.19.2

Health Inspection and Etc Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2011/2012		2012/2013			2013/2014	2014/2015	2015/2016
		Target	Actual	Target		Actual	Target		
Service Indicators (i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objective: Provide effective and efficient Municipal Health Services to all BCMM communities									
Provide effective and efficient Municipal Health Services to all BCMM communities	% progress made towards the development of Municipal Health Services Plan	100% Development of MHSP	0%	100% Development of MHSP	100% Council Approved MHSP	100% Council Approved MHSP	100% Council Approved MHSP	100% review	100% review

T 3.19.3

Employees: ENVIRONMENTAL HEALTH					
Job Level	Year -1	Year 2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		5	5	0	0%
4 - 6		0	0	0	#DIV/0!
7 - 9		4	4	0	0%
10 - 12		23	22	1	4%
13 - 15		6	6	0	0%
16 - 18		1	1	0	0%
19 - 20		0	0	0	#DIV/0!
Total		39	38	1	3%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T 3.19.4*

Financial Performance Year 0: Health Inspection and Etc					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1,102	14,755	14,755	1,851	-697%
Expenditure:					
Employees	23,887	16,495	17,434	18,230	10%
Repairs and Maintenance	559	648	648	426	-52%
Other	4,594	5,812	5,883	4,384	-33%
Total Operational Expenditure	29,040	22,956	23,966	23,040	0%
Net Operational Expenditure	27,938	8,201	9,210	21,188	61%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. *T 3.19.5*

COMMENT ON THE PERFORMANCE OF HEALTH INSPECTIONs, Etc OVERALL:

There are two (2) operational priority projects, namely the development and implementation of the Municipal Health Services Plan and the implementation of the Air Quality Service Plan. Two programmes from these abovementioned priority projects will be implemented in each financial year going forward.

T 3.19.7

COMPONENT G: SECURITY AND SAFETY

This component includes: police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

INTRODUCTION TO SECURITY & SAFETY

Safety and Security in Buffalo City operates as the Department of Public Safety and consists of:
Law Enforcement
Traffic Services
Fire & Rescue Services
Disaster Management

T 3.20

3.20 POLICE

This section is divided into Traffic Services and Law Enforcement.

INTRODUCTION TO TRAFFIC SERVICES

Traffic Services operate out of offices in East London and King Williams Town, with a vehicle testing station in Zwelitsha and a vehicle registration and licensing office, as well as a driving licence test facility, in Gonubie.

The Traffic Services team covers the majority of the BCMM area of jurisdiction, albeit in limited capacity. Traffic Enforcement and Policing are visible in Mdantsane, with the department having two dedicated vehicles patrolling this suburb. Whilst progress has been made in terms of the extension of services and facilities, Traffic Services remain primarily focused in the urban areas. Funding for a new learner's licence testing facility in Mdantsane has been secured, and plans are underway to establish this facility which will enhance service delivery in the midland area.

The high rate of vehicle accidents on the City's roads continues to claim countless lives and place a heavy burden on emergency services resources. The Department's objectives are to reduce the vehicle accident rate on the City's roads by ensuring that resources are directed towards: national road safety strategies, including the Arrive Alive campaign; a no-nonsense approach towards the general disregard for traffic rules and regulations especially by taxis; speed limit enforcement to be expanded, especially in high frequency accident locations and pedestrian risk areas; the assignment of speed cameras based on the most problematic accident locations; and increased visibility through peak hour patrols and regular roadblocks across the City to determine both driver and vehicle fitness.

T 3.20.1

Metropolitan Police Service Data (Traffic Services)					
	Details	2011/2012	2012/2013		2013/2014
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Number of road traffic accidents during the year	11959		4513	
2	Number of by-law infringements attended	8287		6269	
3	Number of police officers in the field on an average day			60	
4	Number of police officers on duty on an average day			60	

T 3.20.2

Note - it is difficult to provide estimates for road traffic accidents and infringements, as these are beyond the department's control.

Police Policy Objectives Taken From IDP (Traffic Services)									
Service Objectives	Outline Service Targets	2011/2012		2012/2013			2013/2014	2014/2015	2015/2016
		Target	Actual	Target		Actual	Target		
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
Service Objectives:									
Provide a safe traffic environment in hot spot areas	Reduce & prevent accidents within BCMM	1%	10%	1%	2%	46%	2%	3%	4%
To ensure an efficient & responsive traffic & law enforcement service within BCMM	% Progress made towards the establishment & construction of the testing centre	10% planning phase	10 % Planning phase completed	10% planning phase	30% Earthworks	0%	30% Earthworks	60% Construction phase	80% Construction phase
	Establish Traffic & Law Enforcement offices by upgrading existing Fire Station KWT	10% planning phase	10% Planning phase completed	10% planning phase	30% Construction Phase	0%	30% Construction Phase	60% Construction phase	80% Construction phase
To ensure a safe and secure traffic environment within BCMM	Number of measures implemented to enhance road safety		80		100	354	100	100	120
									T 3.20.3

Employees: Traffic Officers					
Job Level	2011/2012	2012/2013			
Traffic Administrators	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
Commander & Regional Commanders	3	3	3	0	0%
Other Traffic officers & Wardens					
0 - 3	22	21	21		0%
4 - 6	91	98	96	2	2%
7 - 9	86	95	88	7	7%
10 - 12	22	24	22	2	8%
13 - 15	0	0	0	0	#DIV/0!
16 - 18	0	0	0	0	#DIV/0!
19 - 20	0	0	0	0	#DIV/0!
Total	221	238	227	11	5%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T 3.20.4*

Financial Performance Year 0: Police					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	5,416	11,739	11,739	5,916	-98%
Expenditure:					
Employees	81,197	86,640	86,221	88,939	3%
Repairs and Maintenance	1,282	1,478	1,528	1,518	3%
Other	17,893	17,987	19,136	19,233	6%
Total Operational Expenditure	100,372	106,105	106,886	109,690	3%
Net Operational Expenditure	94,957	94,365	95,146	103,773	9%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. *T 3.20.5*

COMMENT ON THE PERFORMANCE OF TRAFFIC SERVICES OVERALL:

The following outlines the overall performance of Traffic Services during the period under review, providing a picture of key improvements during the period under review:

Number of traffic notices paid – has increased to R24,369

Traffic notices issued for - 2011/12 was 77,499 – this increased in 2012/13 to 115,145 notices, which is a 49% increase.

The number of roadblocks increased from 60 in the 2011/12 financial year to 240 road blocks in 2012/13, which is a 300% improvement from 2011/12.

Measures to improve road safety: in 2011/12, 60 special programmes were undertaken; in 2012/13 this escalated to 354 special programmes, which is 490% more than the previous year.

Conversions of driving licenses – has increased by 19.36% from 2011/12 to 2012/13.

2012/13 saw a 4.75% increase in the number of learners license applications and an increase of 34.59% in the issuing of learners licences

10.4% more registration licenses and clearance certificates were issued in 2012/13 than the previous year.

The Traffic Safety Plan was approved - the implementation of which will assist in the reduction of accidents across the Metro.

The Mdantsane Testing Centre/Mdantsane Learners License Centre funding has been secured, to the value of R 2.9m. The project is currently in progress. The construction tender is due to close in May 2013, with the finalisation of the project due at end of the 2013/14 financial year.

KWT Traffic Building – The Project Management Unit is busy with the architectural phase of project. Meetings have been held between Traffic Management and the architects. Funding for the 2013/14 and 2014/15 financial years has been confirmed at R3 mil/year, as the construction phase is due to start in the 2013/14 financial year and is to be completed by end of the 2014/15 financial year.

Traffic Vehicles to the value of R 407 392 were purchased.

Capital Expenditure Year 0: Police					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	3,000	3,392	658	-356%	
KWT Traffic Building	3,000	600	–	-	600
Mdantsane testing centre	–	2,100	–	-	2,100
Traffic Vehicles	–	407	407	100%	407
Vehicle Replacement - M10/189	–	265	234	100%	265
Replacement of alcometers x3	–	20	17	100%	20
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.20.6*

COMMENT ON THE PERFORMANCE OF LAW ENFORCEMENT SERVICES:

BCMM has spent 19% its adjusted capital budget allocation for the 2012/13 financial year.

The Law Enforcement Department is committed to enforcing the law against those committing crimes and by-law offences, and is currently in the process of finalizing the Crime Prevention Strategy. The Crime Prevention Strategy will set out the objectives, strategies and priorities of crime prevention.

The Department has undertaken and effectively executed the following for the financial year under review:

The number of offenders arrested/apprehended for crimes such as theft, robbery, assault, shoplifting etc. has increased by 24.77% to 136 arrests during the period under review.

The number of liquor outlets inspected increased from 282 to 389 outlets, which is a 37.94% improvement from 2011/12.

Actions undertaken against illegal electricity connections increased from 2,589 actions carried out in the 2011/12 financial year to 25,743, which is 894.32% increase in 2012/13.

DIC (Drunk in charge) arrests/apprehensions increased by 8.3% from 2011/12.

BCMM saw an increase of 224% in the issue of permits to hold public marches, in terms of the Gatherings Act, since 2011/12.

850 arrests were made of drunk and disorderly pedestrians in the 2012/13 financial year.

646 squatter inspections were undertaken in the 2012/13 financial year.

2,041 vagrant complaints were attended to in the 2012/13 financial year.

29,742 cases of contravention of various by-laws were implemented in the 2012/13 financial year.

The formulation of a Master Plan for the installation of CCTV cameras across the City is beginning to address the issue of crime in hot spot areas, targeting economic hubs such as the Mdantsane Highway Taxi Rank, the CBD and the Beachfront. The roll out of CCTV cameras at Mdantsane Highway Taxi Rank has proven a useful tool in deterring crime. The next phase to be completed is the Eastern Beach Front area, which will be completed in the 2013/2014 financial year.

The City is also embarking on a process of reviewing existing City by-laws, policies and standard operating procedures to ensure that these are relevant to the changing environment.

Creating a safer and more secure environment for BCMM's residents, visitors and businesses is a key priority and a significant challenge for the Metro.

3.21 FIRE

INTRODUCTION TO FIRE SERVICES

Buffalo City Metropolitan Municipality is one of two local authorities in the Eastern Cape that operates a Hazmat Unit and a Water Rescue Unit. The training section of the Fire and Rescue Services is internationally accredited and offers various fire related training courses to both internal and external candidates. The services offered by the Fire and Rescue Services are:-

The suppression of fires, risk assessments, and attention to all incidents;

Fire Prevention: safety building inspections, approved plans, awareness campaigns, evacuation drills and inspections on taverns in conjunction with SAPS and Disaster Management; and

Fire-related training: During the period under review, the Unit provided a Basic Fire Fighting Course to individuals and people from various companies, trained 20 candidates from Amathole District Municipality on Fire Fighter 1 and 2; and provided additional training to BCMM fire fighters, including 10 BCMM fire fighters attended a NOSA course; 10 fire fighters attended a Basic Ambulance Assistant Course and 10 attended refresher course. The Unit also trained 3 divers and 4 dive supervisors.

Fire Stations are located in East London at Fleet Street, Dunoon Road (Greenfields) and Western Avenue (Vincent). There is also a fire station in Mdantsane, King Williams Town and Dimbaza. The section is currently planning to build fire stations in rural areas.

T 3.21.1

Metropolitan Fire Service Data					
	Details	2011/2012	2012/2013		2013/2014
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Total fires attended in the year	2171		2128	
2	Total of other incidents attended in the year	268		266	
3	Average turnout time - urban areas	7min		12min	
4	Average turnout time - rural areas	25min		25min	
5	Fire fighters in post at year end	142		135	
6	Total fire appliances at year end	30		30	
7	Average number of appliance off the road during the year	5		5	
					T 3.21.2

Fire Service Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2014/2015011/2012**		**2014/2015012/2013**			**Year 2013/2014**	**Year 2014/2015**	**Year 20115/2016**
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators									
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
Service Objective: To deliver sustainable infrastructure that supports social and economic development									
Provide and efficient & responsive Fire & rescue facilities to all BCMM communities	No. of Fires Stations built	Planning	Planning complete for KWT Fire Station	Planning	1 (complete KWT) & start Chalumna process	90% completed KWT Fire Station. Consultation with Land Admin for Chalumna in process	1 (complete KWT) & start Chalumna process	1 (Chalumna)	1 Newlands/Macleantown area
	No. of fire engines purchased	1 Fire Engine	1 Fire Engine delivered	1 Fire Engine	1 Fire Engine	0	1 Fire Engine	2 Fire Engines	1 Fire Engine

T 3.21.3

Chapter 3

Employees: Fire Services					
Job Level	Year -1	Year 2012/2013			
Fire Fighters / Administrators	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
Chief Fire Officer & Deputy					
Other Fire Officers					
0 - 3		9	9	0	0%
4 - 6		107	98	9	8%
7 - 9		49	45	4	8%
10 - 12		8	7	1	13%
13 - 15		7	6	1	14%
16 - 18		1	1	0	0%
19 - 20		0	0	0	#DIV/0!
Total		181	166	15	8%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T 3.21.4*

Financial Performance Year 0: Fire Services					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	59,670	61,868	61,868	68,584	10%
Expenditure:					
Employees	39,649	43,860	43,504	41,357	
Repairs and Maintenance	947	1,408	1,408	991	-42%
Other	13,996	25,118	25,255	14,517	-73%
Total Operational Expenditure	54,592	70,385	70,167	56,864	-24%
Net Operational Expenditure	(5,078)	8,518	8,299	(11,719)	173%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. *T 3.21.5*

Capital Expenditure Year 0: Fire Services R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	7,128	12,854	5,389	-32%	
2 X Pedestal, Desk, Table, Roller Door - A11/45	–	18	15	100%	18
Closed Circuit Television Network - CCTV	628	628	–	-	1,571
KWT Fire Station	6,000	6,000	1,930	-211%	6,000
New Fire Station (Ward 31,32,33)	500	500	–	-	15,500
Fire Station - KWT	–	3,209	3,209	100%	3,209
Fire Engine - M11/43	–	1,200	–	-	1,200
Insurance Vehicle Replacement - M10/27	–	265	–	-	265
Replacement of vehicle V187 - CNZ185EC - M09/131	–	14	14	100%	14
Insurance Vehicle Replacement - M09/131	–	220	220	100%	220
Learners Licence Centre - Mdantsane	–	800	–	-	800
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.21.6*

COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL:

During the period under review, the Fire Department completed the construction of the KWT Fire Station, which will improve the speed and efficiency of responses in the KWT region. This was made possible by a capital budget of R6,000,000 and an adjustment budget of R3,209,347.

The planning phase for a new Fire Station in the rural areas was completed in 2012/13. The building phase is due to begin in 2013/14 and is expected to be completed in 2014/15. Land requisition is a major challenge on this project.

An additional Urban Rescue Vehicle for emergency purposes was purchased on the Insurance Vehicle Replacement vote.

3.22 OTHER (DISASTER MANAGEMENT, ANIMAL CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

INTRODUCTION TO DISASTER MANAGEMENT, ANIMAL CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

The Disaster Management Centre is responsible for the implementation of an integrated multi-sectoral and multi-disciplinary approach to assessing and managing disaster risk and for the co-ordination of post disaster response and recovery. Disaster Management became a function of the Buffalo City Metropolitan Municipality in May 2011.

The following key programmes were undertaken in 2012/13:

Council approval of BCMM Disaster Risk Management Policy Framework and Implementation Plan.

Disaster Risk Assessment and Reduction in Communities at Risk.

Safety at Events Planning and Management in terms of Safety at Sports and Recreational Events Act.

Co-ordination of relief to people affected by floods, fires and other emergencies.

T 3.22.1

SERVICE STATISTICS FOR DISASTER MANAGEMENT, ANIMAL CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

Relief provided to affected persons in informal areas as a result of fire:

Fires	156
Structures	480
Affected persons	1592

Information received from Councillors relating to loss and damage is forwarded to the South African Social Security Agency, Buffalo City Metropolitan Municipality, Human Settlements Department, Roads and Stormwater Department and South African Red Cross as appropriate.

In addition, 260 events safety planning meetings were attended.

T 3.22.2

Disaster Management, Animal Control, Control of Public Nuisances, Etc Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2014/2015011/2012**		**2014/2015012/2013**			**2014/2015**	**2015/2016**	
		Target	**Actual**	**Target**		**Actual**		**Target**	
Service Indicators **(i)**	**(ii)**	***Previous Year (iii)**	**(iv)**	***Previous Year (v)**	***Current Year (vi)**	**(vii)**	***Current Year (viii)**	***Current Year (ix)**	***Following Year (x)**
Service Objective: To build a safe & resilient city through Disaster Management									
To build a safe & resilient city through Disaster Management	Milestones towards the Review of the Disaster Risk Management Policy Framework Implementation & Budget Plan	Council Approval	Submitted to Portfolio and Mayoral Committees	Council Approval	Awaiting Mayoral Committee Approval	Awaiting Mayoral Committee Approval	Implementation	Implementation	Implementation

T 3.22.3

Employees: Disater Management, Animal Licencing and Control, Control of Public Nuisances, Etc					
Job Level	Year -1	Year 2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		0	0	0	#DIV/0!
4 - 6		5	5	0	0%
7 - 9		0	0	0	#DIV/0!
10 - 12		2	1	1	50%
13 - 15		0	0	0	#DIV/0!
16 - 18		1	1	0	0%
19 - 20		0	0	0	#DIV/0!
Total		8	7	1	13%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T 3.22.4*

Financial Performance Year 0: Disater Management, Animal Licencing and Control, Control of Public Nuisances, Etc					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	819	1,489	1,489	730	-104%
Expenditure:					
Employees	5,369	7,652	7,582	5,084	-51%
Repairs and Maintenance	51	148	148	46	-219%
Other	1,890	1,990	2,005	1,675	-19%
Total Operational Expenditure	7,311	9,790	9,734	6,806	-44%
Net Operational Expenditure	6,492	8,301	8,245	6,075	-37%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. *T 3.22.5*

Capital Expenditure 2012/2013: Disaster Management, Animal Control, Control of Public Nuisances, Etc					R' 000
Capital Projects	2012/2013				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Flood Relocation (DM Structures)	-	41,025	-	1.00	41,025

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. *T 3.22.6*

COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT, ANIMAL CONTROL OF PUBLIC NUISANCES, ETC OVERALL:

The Flood Relocation Project of R41,025 for the calculation of two remaining flood lines in Duncan Village has been completed.

Operating Expenditure is lower than budget due to a staff vacancy and reduced output as a result of reduced capacity.

The following challenges had a negative impact upon BCMM's ability to perform its Disaster Management function:

Disaster Management remains largely reactive due to the limited capacity of the centre; and

Risk Reduction is undertaken on an *ad hoc* basis as requests are received. BCMM's response is based on the availability of resources at the time.

T 3.22.7

COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

INTRODUCTION TO SPORT AND RECREATION

The Amenities Division provides and maintains sports and recreational facilities to the public. Two key projects were undertaken in this regard in 2012/13, namely: the re-development of Mdantsane NU2 Swimming Pool and the upgrading of Waterworld

T 3.23

3.23 SPORT AND RECREATION

SERVICE STATISTICS FOR SPORT AND RECREATION

The following user statistics reflect the generally good usage which was made of sports and recreation facilities across the Metro in 2012/13:

Number of Resort Chalets bookings	821	
Number of Resort Caravan Park bookings	1 006	
Number of Aquarium Tickets sold and boat registrations	21 882	
Number of Pools Tickets sold	94 785	
Number of Zoo Tickets sold	28 440	
Number of Beaches Tickets sold	49 272	T3.23.1

Sport and Recreation Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2012/2013**		**2013/2014**			**2014/2015**	**2015/2016**	
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators **(i)**	**(ii)**	***Previous Year** **(iii)**	**(iv)**	***Previous Year** **(v)**	***Current Year** **(vi)**	**(vii)**	***Current Year** **(viii)**	***Current Year** **(ix)**	***Following Year** **(x)**
Service Objective: To provide adequate amenities to all BCMM communities									
To improve and upgrade amenities so that they service the education, conservation, sport and recreation needs of the community	Upgrading of sports fields, swimming pools, aquarium and Esplanade (Amenities)	2 Amenities upgraded	Two (drainage system at Marine Glen installed and Upgrading of Zoo completed)	Two (drainage system at Marine Glen installed and Upgrading of Zoo completed)	11 Amenities to be upgraded	Nil	11 Amenities upgraded	4 Amenities Upgraded	Nil

T 3.23.2

Employees: amenities					
Job Level	Year -1	Year 2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		54	48	6	11%
4 - 6		33	31	2	6%
7 - 9		23	21	2	9%
10 - 12		7	7	0	0%
13 - 15		2	2	0	0%
16 - 18		1	1	0	0%
19 - 20		0	0	0	#DIV/0!
Total		120	110	10	8%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* T 3.23.3

Financial Performance Year 0: Sport and Recreation					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	2,664	4,240	4,240	3,858	-10%
Expenditure:					
Employees	43,256	39,995	40,336	45,996	13%
Repairs and Maintenance	3,216	2,776	2,776	11,343	76%
Other	11,988	13,676	13,762	14,126	3%
Total Operational Expenditure	58,460	56,447	56,873	71,465	21%
Net Operational Expenditure	55,796	52,206	52,633	67,607	23%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T 3.23.4

Capital Expenditure Year 0: Sport and Recreation					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	9,000	15,394	310	-2800%	
Upgrading of Sport & Recreation Facilities	9,000	–	–	-	–
Redevelopment of Mdantsane NU 2 Swimming Pools & Upgrading of Waterworld	–	3,000	–	-	63,000
Removal of synthetic cricket wicket and contruction of a grass cricket wicket at Braelynn Extension Sportsfield & NU & Sportsfields	–	500	–	-	500
Upgrading Victoria Grounds	–	2,000	277	100%	2,000
Asset replacement 3X Brushcutters - A11/124	–	27	27	100%	27
Asset replacement - Microphone - A11/88	–	3	2	100%	3
Asset Replacement - Cash Register - A12/113	–	4	4	100%	4
Upgrading of Sisa Dukashe ,New Lands,Ndevana Stadium	–	1,869	–	-	1,869
Upgrading of Bisho, Dimbaza ,Peelton ,Madramini & Victoria Grounds Stadium	–	6,372	–	-	6,372
Upgrading of Tsholomnqa ,Parkside,Needs Camp & North	–	1,620	–	-	1,620
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.23.5*

COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

The tender for the redevelopment of Mdantsane NU2 swimming pools and the upgrading of the Waterworld complex was advertised and closed in 27 November 2012. The tender was awaiting Supply Chain Management (BEC) approval as of June 2013.

T 3.23.6

Chapter 3

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

INTRODUCTION TO CORPORATE POLICY OFFICES, Etc

T 3.24

3.24 EXECUTIVE AND COUNCIL

This component focuses on the Executive Office, including the Executive Mayor, councillors and the City Manager.

INTRODUCTION TO EXECUTIVE AND COUNCIL

The focus over the past years has been on delivering basic social needs and housing. In spite of the remaining backlogs, major strides have been made in this regard. However, there still remains a huge challenge in terms of ensuring that the Institution does not just deliver houses and services but creates integrated and sustainable settlements.

During the 2013/14 IDP review one of the key strategic objectives of the Institution has been ***"to deliver sustainable infrastructure that support social and economic development"*** Priority has been on the upgrading of sewer treatment works, electrification and road maintenance, to meet the needs of the expanding human settlements. The projects below are key infrastructure projects that were implemented in during 2012/13 FY in response to the above objective.

Key Projects	Original Budget	Adjustment Budget	Expenditure
Electrification	30,000	30,000	27,024
Quinera Treatment Works		31,719	29,453
Mdantsane Roads	60,000	60,000	47,629
BCMM Roads Upgrade	30,000	30,000	20,471
Gonubie Main Road	15,000	45,000	44,885

T 3.24.1

Employees: The Executive and Council					
Job Level	Year -1	Year 2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		28	24	4	14%
4 - 6		72	61	11	15%
7 - 9		46	35	11	24%
10 - 12		18	18	0	0%
13 - 15		8	8	0	0%
16 - 18		11	11	0	0%
19 - 20		0	0	0	#DIV/0!
Total		183	157	26	14%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T 3.24.4*

Note: T3.24.4 includes the GIS and the SPU offices

Financial Performance Year 0: The Executive and Council					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	24,637	–	25,232	4,207	100%
Expenditure:					
Employees	39,946	40,617	43,319	38,822	-5%
Repairs and Maintenance	10,524	2,263	2,263	1,636	-38%
Other	288,775	127,498	175,758	137,496	7%
Total Operational Expenditure	339,246	170,377	221,340	177,955	4%
Net Operational Expenditure	314,609	170,377	196,107	173,748	2%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. *T 3.24.5*

Capital Expenditure Year 0: The Executive and Council					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	4,500	4,031	573	-686%	
Councillors Office Furniture	–	1,792	424	100%	1,792
Back up Generator-City Hall	1,500	1,500	–	-	1,500
Upgrading of City Hall	3,000	–	–	-	2,000
Garcia Flats Fencing	–	459	–	-	459
Camera System	–	81	71	100%	81
Asset Replacement -Desktop A12/96	–	10	–	-	10
Asset Replacement -Desktop A12/101	–	10	–	-	10
Asset Replacement -Desktop A12/57	–	10	7	100%	10
Computers (MPAC)	–	50	–	-	50
Furniture (MPAC)	–	100	54	100%	100
Recording System (MPAC)	–	20	17	100%	20
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.24.6*

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

The following measures were undertaken to improve performance:

Institutional Arrangements

The Enterprise Project Management Office was established in November 2012 for the purpose of enhancing project governance, project planning, project pipelining, monitoring and reporting.

Supply Chain Management

The Bid Committees System of the Metro was reviewed and restructured and an appropriate delegation system developed, which started in March 2013;

Since March, the number of tenders awarded increased significantly, which increased spending by 50% by the end June 2013.

Project Management

The Metro introduced the following Project Management systems:

Project Tracker

E-Procurement

Electronic Document Management System

BCMM embarked on a process of multi-year budgeting in order to ensure realistic utilization of the budget within each financial year.

T 3.24.7

3.25 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

T 3.25.1

Revenue Management

During the financial year a Revenue Enhancement Strategy (RES) was developed and implementation was initiated. Key focus areas in the RES include:

Updating and correcting billing data for each account holder;

Enhancing business processes so as to ensure that improvements to existing properties are valued and that billing records are updated accordingly;

Regular and accurate water and electricity meter readings, so that the correct consumption can be billed;

The minimisation of meter reading estimates

The timeous resolution of billing related queries

The enforcement of debt collection action

Obtaining customer related data though new service agreements

Consolidated Billing

During the Financial year a fixed meter reading roster was developed, implemented and advertised in the local media, which indicated the dates on which the meter readers would read meters in the various areas within the City.

Additional resources were put in place to focus on meter reading, meter exception auditing and accounts processing in order to increase the accuracy of meters read and accounts produced.

Counter Services

The following projects were undertaken during the Financial Year:

Updating of the Service Agreement (rates and services) project

Registration / verification of the existing indigent consumers.

Measures taken to improve performance

As part of the Integrated Development Plan two deliverables were identified:

To revise the existing Service Agreement (SA) document and ensure that there is an SA between BCMM and its customers. For the current financial year, 50,000 service agreements were targeted for completion. In total, approximately 159,000 SA's are required.

To validate the Indigent Register that is in operation

It was determined that both these projects could be performed concurrently when fieldworkers are deployed to interact with consumers. Fieldworkers have been decentralised according to areas, to ensure quicker completion and collection of the required information on the service agreements. As envisaged, 28 fieldworkers and 10 data capturers were required to perform tasks for the two projects. It was envisaged that the existing 8 data capturers employed by Debt Management would be utilised to update the information recorded in the system. The infrastructure and information technology resources to support the data capturers have been improved. The 2 projects are managed from within the Revenue Management Department.

Valuation and Rates

Priorities and impact made during 2012/13

Valuing and rating of all properties within the BCMM boundaries and updating the valuation roll by conducting regular supplementary valuations;

Measures taken to improve performance; and

Two supplementary valuations are performed each financial year.

Debt Management

The priorities of the Department were to increase the collection of debt and to reduce the debt book. Due to the continued efforts of the Debt Management Department, BCMM maintained a healthy cash flow during the year. The following highlights are noted:

The Collection Ratio improved monthly and targets were met;

Letters were issued to consumers prior to the blocking or disconnection of services, which had a positive impact on the collections;

Debt collection actions in the form of disconnections and blocking of electricity were increased and had a positive impact on collection;

8,596 accounts to the value of R39,362,432 were subjected to the legal collection process as debtors did not respond to the disconnection and blocking action.

Write-offs to the total value of R70,573,936, as approved by Council, were processed, which resulted in the reduction of the debt book.

Measures taken to improve performance

Implementation of the Revenue Enhancement Strategy, specifically to enforce the debt collection action.

Implementation of the expanded Debt Management Operations.

Implementation of the Outbound Call Centre Function.

Stricter enforcement of the Credit Control Policy.

Increased disconnection of electricity meters and hand-over of debt to collection agents.

Implementation of the Debt Book Analysis findings to clean the debt book by writing off irrecoverable debt.

Synchronization of the prepayment meters on the prepayment system to the financial system.

Analysis of returned mail resulting in rectification of postal addresses.

Updating of consumer data, to ensure that credit control action in the form of telephone calls, SMS notification and letters are successful.

Inspection of electricity meters to prevent and minimize tampering.

Debt Recovery							R' 000
Details of the types of account raised and recovered	2011/2012 (2011/12)		2012/2013 (2012/13)			2013/2014 (2013/14)	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates	R538,651	82.83%	R584,335	R584,335	85.93%	R633,894	Not Available
Electricity - B	Combined	Combined	Combined	Combined	Combined	0	Not Available
Electricity - C	846,021	88.51%	926,698	926,698	88.32%	R1,015,068	Not Available
Water - B	Combined	Combined	Combined	Combined	Combined	0	Not Available
Water - C	R277,525	68.13%	R301,658	R301,658	71.62%	R327,890	Not Available
Sanitation	R220,365	73.15%	R242,029	R242,029	74.39%	R265,823	Not Available
Refuse	R200,077	57.10%	R208,660	R208,660	62.12%	R217,611	Not Available
Other	R107,356	52.85%	R116,613	R116,613	55.36%	R126,668	Not Available

B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them. *T 3.25.2*

Employees: Financial Services					
Job Level	Year -1	Year 2012/2013			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3		87	69	18	21%
4 - 6		164	132	32	20%
7 - 9		86	70	16	19%
10 - 12		46	41	5	11%
13 - 15		7	7	0	0%
16 - 18		6	6	0	0%
19 - 20		3	3	0	0%
Total		399	328	71	18%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T 3.25.4*

Financial Performance Year 0: Financial Services					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1,169,402	1,441,627	1,441,627	1,521,892	5%
Expenditure:					
Employees	107,605	129,021	156,434	143,427	10%
Repairs and Maintenance	1,226	2,125	2,125	1,579	-35%
Other	199,963	237,659	217,046	159,711	-49%
Total Operational Expenditure	308,794	368,805	375,605	304,717	-21%
Net Operational Expenditure	(860,608)	(1,072,822)	(1,066,022)	(1,217,175)	12%
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					*T 3.25.5*

Capital Expenditure Year 0: Financial Services					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	32,600	5,871	2,243	-1353%	
Laptop - N.S. Kati (D. Odendaal)- A12/58	–	22	22	100%	22
Laptop - R. Krug - A12/67	–	22	22	100%	22
Asset Replacement :Desktop A12/92	–	10	–	-	10
Asset Replacement :Desktop A12/79	–	8	8	100%	8
Office Furniture - Revenue Management	1,351	1,501	1,423	5%	1,501
Computer Equipment - Revenue Management	1,249	952	731	-71%	952
General Valuations	29,000	–	–	-	–
3x Desktop Computers- A12/64	–	23	23	100%	23
2x Desktop Computers- A12/63	–	15	15	100%	15
Pre-Payment Vending Machines	1,000	–	–	-	–
Insurance Asset Replacement	–	3,318	–	-	3,318
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.25.6*

3.26 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The Human Resources Department falls under the Directorate of Corporate Services and performs the following human resource support functions to line management:

Organisational development

Payroll and benefits administrators

Recruitment and selection of staff

Employee relations management

Talent management

Staff development

Occupational health and safety

Employee wellness

Employee performance management

BCMM has encountered challenges in the following areas during the financial year 2012/13:

Recruitment could not be actioned for all vacant posts as BCMM is undergoing an organisational restructuring process. Line management has, however, identified critical service delivery posts and recruitment has been actioned for such identified posts.

Disciplinary management is a challenge in that hearings are not being finalised timeously as per the Disciplinary Code. This is caused by a variety of factors inclusive of the unrealistic time-limits specified in the disciplinary code. In order to address this, an Employee Relations Improvement Project is being initiated, whereby additional capacity is being provided to the Labour Relations Section with a view to finalising all outstanding disciplinary hearings.

T 3.26.1

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

The Human Resources Department provides human resources support services to Council and all line departments in BCMM. HR thus services 100 Councillors and 5,000 staff members.

T 3.26.2

Employees: Human Resource Services

Job Level	Year -1	Year 2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		14	14	0	0%
4 - 6		58	51	7	12%
7 - 9		17	16	1	6%
10 - 12		26	21	5	19%
13 - 15		4	4	0	0%
16 - 18		2	0	2	100%
19 - 20		1	1	0	0%
Total		122	107	15	12%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T3.26.4*

Financial Performance Year 0: Human Resource Services

R'000

Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	3,250	5,371	4,776	5,155	-4%
Expenditure:					
Employees	38,424	69,926	66,477	39,220	-78%
Repairs and Maintenance	62	430	430	380	-13%
Other	28,837	34,766	33,011	32,891	-6%
Total Operational Expenditure	67,323	105,122	99,918	72,491	-45%
Net Operational Expenditure	64,074	99,751	95,142	67,336	-48%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. *T 3.26.5*

Capital Expenditure Year 0: Human Resource Services					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	2,500	3,124	681	-267%	
3x Desks: A11/45	–	5	4	100%	5
Laptop : A12/13	–	7	7	100%	7
Electronic Attendance Control System	2,500	2,500	–	-	5,000
Laptop : A11/29	–	7	7	100%	7
Asset Replacement :A12/62		11	9	100%	11
Office Furniture	–	225	144	100%	225
Computer and Software	–	370	511	100%	370

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. *T 3.26.6*

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

The primary project for 2012/13 was the electronic attendance control financial system.

Due to the high rate of absenteeism and excessive overtime claimed by BCMM staff, Council resolved that stricter controls should be introduced to curb this abnormal practise. Both the Internal Auditor and Auditor General have raised concerns regarding absenteeism and overtime at BCMM. The Biometric Electronic Attendance Control System is to address the following:

Absenteeism in the workplace.

Monitoring of overtime.

Physical security in the buildings.

T 3.26.7

Chapter 3

3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services and Geographical Information Systems (GIS).

INTRODUCTION GEOGRAPHIC INFORMATION SYSTEMS (GIS) SERVICES

Geographical Information Systems (GIS) is interdependent on adequate hardware and networks provided by the ICT department. As the GIS system is accessible to the metropolitan users, uptime is critical in the provision of real-time, accurate, spatially related data. Currently the GIS system operates on a SQL server (2008) platform using ESRI ArcGIS for desktop, web applications, extensions and database management. The GIS core application includes GISTEXT which was accessed by 298 users during the 2012/2013 period, with a total of 109,363 logins and 247,213 hits on the GISTEXT intranet site. Spatial data is foundational to the management of assets, planning and analysis, operational awareness and field operations. Although not all departments have GIS capacity, the GIS unit has been incorporated into the ISDG programme whereby five GIS interns have been appointed to take part in the programme. The ISDG provides registration with the professional body (PLATO) and obtains mentoring and supervision within the GIS unit. All five GIS interns have been registered with PLATO as GIS Technicians-in-Training. They will provide the GIS professional capacity within the Metro to enhance service delivery.

INFORMATION MANAGEMENT AND TECHNOLOGY

The ICT division is responsible for providing information management and technological support. Key functions of the ICT division are:

The provision of all software application support to the Municipality.

The design of a management system and tool to track service delivery and customer satisfaction.

The sourcing and dissemination of information (research).

The implementation of sound IT governance principles and policies supported by the appropriate IT governance structures.

The provision and support of computer hardware and software to the municipality.

The setting up, support and improvement of the IT systems.

The development of an integrated IT plan and budgeting process.

The development and implementation of user allocation policies and all IT policies.

The development of a knowledge and process management system to support strategic planning and economic development.

The provision of support to customer call centres.

The provision of user education to staff and councillors.

The provision and upgrade of an informative and accessible interactive website.

The establishment and facilitation of community access to the municipality through interactive internet participation. . The provision of a help-desk.

The development and implementation of council's information management and technology strategy.

T 3.27.1

SERVICE STATISTICS FOR ICT SERVICES

The ICT unit received 282 requests for:

Desktop / Laptops

Smart tabs / Smart Phones

Network Access

Telephone

3G / Wifi

Printers / Scanners / Copiers / Fax

Applications

Technology

They responded to a total of 730 incidents, which related to challenges with:

Network

Desktop / Laptops

Electronic Mail

Applications

Storage

Data Recovery

Security

Printers

Telephones

Smart Tabs

ICT PROJECTS

The following ICT projects were undertaken during the period under review:

ICT Infrastructure Network – This included the improvement of the BCMM Network, in order to stabilise the data network with quality of services, and the upgrade of Wireless Network in order to improve efficiency.

ICT Disaster Recovery - Offsite Data storage for business continuity and ensuring secured BCMM data. ICT Disaster Recovery increases reliance on BCMM electronic data and minimising the risks of failures in supporting systems.

Enterprise Resource Planning - The Financial System was enhanced with centralised data. The system enables the Municipality to function promptly, which will improve the service delivery to the ratepayers. The municipality is able to focus on new business opportunities. This will also assist in improving access to information.

The following **ICT Systems Improvements** were undertaken:

Supply Chain Management System

Electronic Fuel Management System

Debt Management System

Time Attendance Biometric System

Antivirus / intrusion detection System

Meter Reading System

T 3.27.2

ICT Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2011/2012**		**2012/2013**					
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators **(i)**	**(ii)**	***Previous Year (2010/11)** **(iii)**	**2011/2012** **(iv)**	**2011/2012 *Previous Year** **(v)**	***Current Year** **(vi)**	***Current Year** **(vii)**	**2013/14** **(viii)**	**2014/15** **(ix)**	**2015/16** **(x)**
Service Objective – Good Governance									
Improve communication with BCMM communities & beyond	2012 Aerial Photography on the intranet				50% server upgrade	50%, server space upgraded and correction for the ESRI GRID files to be done by 17/07/2013			

T 3.27.3

Employees: ICT Services					
Job Level	Year -1	Year 2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		2	2	0	0%
4 - 6		4	3	1	25%
7 - 9		1	1	0	0%
10 - 12		17	11	6	35%
13 - 15		1	1	0	0%
16 - 18		1	1	0	0%
19 - 20		0	0	0	#DIV/0!
Total		26	19	7	27%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T3.27.4*

Note: the GIS office is included in T3.24.4 and is not reflected here

Financial Performance Year 0: ICT Services					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	–	–	–	–	0
Expenditure:					
Employees	10,330	12,605	12,343	10,457	-21%
Repairs and Maintenance	3,987	4,271	4,271	4,363	2%
Other	7,162	14,370	16,880	10,840	-33%
Total Operational Expenditure	21,479	31,246	33,494	25,659	-22%
Net Operational Expenditure	21,479	31,246	33,494	25,659	-22%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. *T 3.27.5*

Capital Expenditure Year 0: ICT Services					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	30,100	32,479	18,980	-59%	
Councillor"s IT Requirements (Laptops)	–	109	29	100%	109
IT Systems (Asset management , SCM, Budget forecasting and Modelling, Demand Management System, Fuel Management System and Stock Coding System, Debt Management System)	20,000	19,986	14,191	-41%	64,486
IT Infrastructure Network	4,600	4,600	–	-	4,600
Disaster Recovery Centre ICT	4,500	4,500	3,013	-49%	4,500
Computer Equipment - BCMM	500	500	547	9%	2,500
Upgrading of BCMM Website (including GIS on the Internet)	500	–	–	#DIV/0!	–
Telecommunication Network System	–	128	121	100%	128
Integrated Enterprise Resource Planning System	–	1,122	–	#DIV/0!	1,122
BCM IT Requirements (All directorates)	–	372	300	100%	372
Furniture - Shopstewards	–	16	16	100%	16
Computer Equipment - Revenue Management	–	147	512	100%	1,500
Pre-Payment Vending Machines	–	1,000	252	100%	1,000
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					*T 3.27.6*

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

The following ICT projects were undertaken:

ICT Systems Improvement – This project is aimed at improving systems within the organisation. Although delays were caused by procurement processes, the project is underway and to be finalized in the 2013/2014 Financial year.

IT Infrastructure Network – aims to improve the BCMM Network in order to stabilise the data network with quality of services and to upgrade the Wireless Network in order to improve efficiency. Delays were experienced with the procurement processes, however, the project is underway and to be finalized in the 2013/2014 Financial year.

Disaster Recovery Centre - This project, aimed at offsite Data storage for BCMM for business continuity and ensuring secured BCMM data, is 80% complete. The delays to finalise the project have been encountered in the engagement application process with the Host Site and Installation of the Wireless Link. The project will be finalized in the 2013/2014 Financial year.

Computer Equipment for BCMM - Replaced and /or upgraded BCMM user computers. Additional budget was required as the users computers are old and cannot keep up with evolving technology.

T3.27.7

3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

Property

The Buffalo City Metropolitan Municipality (BCMM) has a portfolio of approximately 1,900 buildings and 2,540 houses, providing over 1,000,000 m^2 of accommodation.

These buildings are physical assets, which need to be properly maintained to ensure that they continue to function as efficiently and effectively as possible in supporting the delivery of a wide range of services. At the same time, the deterioration of buildings due to the lack of refurbishment maintenance can lead to future financial burdens, pose health and safety, legal and other industrial relations issues and affect the delivery of services. Therefore, the maintenance of buildings is critical to the proper management of physical assets and the

overall management of capital to achieve BCMM policy objectives meet Government requirements and provide a good environment for staff and other users of BCM buildings.

The Architectural Division's Building Maintenance Section is mandated to undertake the day-to-day general maintenance of BCMM's buildings. Their work is more specifically about the fixing of 'leaking taps', 'broken doors', and in some cases the refurbishment of offices or even small sections of a building, and currently not about an overall Facilities Management function. Building Maintenance does at present not deal with formal Conditional Assessments of buildings or the remodelling or redevelopment of entire buildings, which is more of an architectural or property function. The Land Administration Division, as custodians of all of BCMM's buildings, previously used to facilitate this function, but no longer provide this service. The Architectural Services Section is currently undertaking Conditional Assessment of a number of the more prominent BCMM buildings, until this matter can be comprehensively addressed.

Furthermore, the Building Maintenance Section only provides a service to departments who do not have their own building maintenance function. Community Services with their Halls and Amenities Sections, for instance, have their own maintenances teams, together with a capital budget for large projects. Building Maintenance has no capital budget.

Building Maintenance functions and staff are not-centralized under the Building Maintenance Branch within Development Planning, but currently reside in other directorates. This has been identified as a risk by the Municipal Manager, Auditor and Council.

The newly proposed organogram suggests the creation of a Facilities Assessment Section under the Architectural Division, which would take on the overall responsibility of BCMM's buildings stock – by identifying and assessing distressed buildings, of provide architectural planning and redevelopment where needed, costing and implementation functions. Thus this Facilities Assessment Section will operate BCMM's entire building capital budgets for maintenance. Its operating budget will thus remain decentralized within its various specialist Directorates.

The current anomaly is that, with the objective of formulating a one-stop Facilities Management Department, Building Maintenance has been given BCMM's entire operating maintenance budget, but without transferring the various currently independent maintenance staff components from other Directorates. This complication is creating some major challenges.

Legal

Legal Services' role seeks to provide strategic, effective and efficient legal advisory services to the municipality, and to inclusively, promote and enhance a risk management culture on a municipal wide basis. As a strategic component of the institution, it is required to ensure that

its processes align with and are responsive to the service delivery imperatives of the institution, whilst ensuring that the delivery programmes occur within the prescribed legal framework. The mandate of the Unit forms part of the broader compliance component of the municipality and to this extent, it takes a leading role in ensuring that incidences of risk exposure are kept at manageable levels as far as possible. Its practitioners from part of the Public Sector Lawyers Forum in the Province and participate meaningfully in the establishment of a Code of Ethics for Public Sector Lawyers. Internal processes take into account best practice models drawn from networking experiences during these sessions and other interactive programmes.

It's role therefore continues to grow progressively and is part of the dynamic development of the Metro. To meet its accountability requirements, the Department is required to report and make inputs into the annual reporting programme about its activities.

Measures taken to improve performance:

An increase in the staff complement is underway, with the new organogram for the CM's office having been approved. This will slowly be phased in once funding has been made available for the posts.

We are continuously striving to achieve a faster turnaround time in terms of responses to the departments and action for any matters that must be defended.

Engage with the compliance section in order to manage any risks that might be identified and assist in implementing the action plans.

In 2011/2012 the department achieved a 100 % success rate in our litigation cases. In the 2011/12 financial year, the department dealt with 96 litigations and claims, and finalised 15 cases. The 2012/13 report had not been submitted to Council at the time of writing. However, preliminary figures suggest that the department dealt with 97 litigations and claims and finalised 26 cases.

T3.28.1

Property; Legal; Risk Management; and Procurement Services Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2011/2012**		**2012/2013**			**2013/2014**	**2014/2015**	**2015/2016**
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators		***Previous Year**		***Previous Year**	***Current Year**		**2013-2014**	**2014-2015**	**2015-2016**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
Service Objective: Improve performance, compliance, processes and systems - enhancement of performance of the institution									
Progress towards implementation of Risk, Fraud and Internal Audit Initiatives as evidenced by the formulation and implementation of mitigation strategies.	Top Management Minute adopting Risk Policy and Fraud Mitigation Strategy				Approval of Risk and Fraud Strategies.	Risk Management Framework and Fraud Mitigation Strategies adopted	Completion of Risk Assessment and implementation of selected initiatives from the Fraud Mitigation Strategy	Revised Risk Assessment and implementation of further initiatives from the Fraud Mitigation Strategy	
Internal Audit Reports issued	Completed Internal Audit Reports for tabling in Management Meeting.				12				

T 3.28.3

Employees: Property; Legal; Risk Management; and Procurement Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		9	8	1	11%
4 - 6		44	42	2	5%
7 - 9		5	3	2	40%
10 - 12		1	1	0	0%
13 - 15		3	2	1	33%
16 - 18		1	1	0	0%
19 - 20		0	0	0	#DIV/0!
Total		63	57	6	10%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T 3.28.4*

Financial Performance Year 0: Property; Legal; Risk Management and Procurement Services					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1,161	1,487	1,487	897	-66%
Expenditure:					
Employees	11,445	11,633	11,801	11,767	1%
Repairs and Maintenance	7,805	16,205	16,205	12,905	-26%
Other	8,009	6,721	6,721	7,852	14%
Total Operational Expenditure	27,259	34,559	34,727	32,524	-6%
Net Operational Expenditure	26,097	33,072	33,240	31,627	-5%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. *T 3.28.5*

Capital Expenditure 2012/2013: Property; Legal; Risk Management and Procurement Services					R' 000
Capital Projects	2012/2013				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	–	9	7	100%	9
Laptop: B. A11/125	–	9	7	100%	9

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. *T 3.28.6*

Property; Legal; Risk Management; and Procurement Services Policy Objectives Taken From IDP									
Service Objectives	**Outline Service Targets**	**2011/2012**		**2012/2013**			**2013/2014**	**2014/2015**	**2015/2016**
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators		***Previous Year**		***Previous Year**	***Current Year**		**2013-2014**	**2014-2015**	**2015-2016**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
Service Objective: Improve performance, compliance, processes and systems - enhancement of performance of the institution									
Progress towards implementation of Risk, Fraud and Internal Audit Initiatives as evidenced by the formulation and implementation of mitigation strategies.	Top Management Minute adopting Risk Policy and Fraud Mitigation Strategy				Approval of Risk and Fraud Strategies.	Risk Management Framework and Fraud Mitigation Strategies adopted	Completion of Risk Assessment and implementation of selected initiatives from the Fraud Mitigation Strategy	Revised Risk Assessment and implementation of further initiatives from the Fraud Mitigation Strategy	
Internal Audit Reports issued	Completed Internal Audit Reports for tabling in Management Meeting.				12				

T 3.28.3

Employees: Property; Legal; Risk Management; and Procurement Services					
Job Level	Year -1	Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3		9	8	1	11%
4 - 6		44	42	2	5%
7 - 9		5	3	2	40%
10 - 12		1	1	0	0%
13 - 15		3	2	1	33%
16 - 18		1	1	0	0%
19 - 20		0	0	0	#DIV/0!
Total		63	57	6	10%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T 3.28.4*

Financial Performance 2012/2013: ICT Services					R'000
Details	2011/2012	2012/2013			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0
Expenditure:					
Employees	10,330,210	12,605,111	12,342,857	10,466,408	-20%
Repairs and Maintenance	3,987,418	4,271,094	4,271,093	4,362,686	2%
Other	7,161,798	14,370,069	16,880,069	10,840,167	-33%
Total Operational Expenditure	21,479,426	31,246,274	33,494,019	25,669,261	-22%
Net Operational Expenditure	21,479,426	31,246,274	33,494,019	25,669,261	-22%
					T 3.27.5

Capital Expenditure 2012/2013: Property; Legal; Risk Management and Procurement Services					R' 000
Capital Projects	2012/2013				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	–	9	7	100%	9
Laptop: B. A11/125	–	9	7	100%	9

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate. *T 3.28.6*

Chapter 3

COMPONENT K: ORGANISATIONAL PERFOMANCE SCORECARD

This component includes: Annual Performance Scorecard Report for the current year.

Where there are differences between these tables and the main report the figures in the main report are the corrected figures.

Chapter 3

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
SFA 1	Institutional Restructuring and Stabilisation	Revised Metro Micro Structure	Existing BCMM structure			Completion and approval of the Micro Structure and Migration of Staff to Structure	Maintenance of Organogram	Council Minute approving the Micro Structure Outline		Completion and approval of the Micro Structure and migration of staff to structure as evidenced by a revised and populated Organisational Structure.	Not achieved		Work stream meetings reinstated, Targeting end October/November 2013 for final approval of micro structure				Council Minute approving the Micro Structure Outline

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SF A 7	Improve performance, compliance, processes and systems	Reduction in the time for completion of Disciplinary cases	Approximately 8 months			70 % of cases concluded within 6 months		Register of Disciplinary cases.		70 % of disciplinary cases originated during the financial year are concluded within 6 months of date of initiation of notice to charge. Variance of 5% clear is accepted	68.9% of Disciplinary Hearings are finalised within six (6) months from the date reported. With an acceptable deviation of 1%.						Register of Disciplinary cases.
SF A 7	Improve performance, compliance, processes and systems	Reduction in the absenteeism rate.	11%			2% due to scoping exercise	Installation of monitoring system into entire system	Payday leave system and analysis		2% absenteeism reduction over the baseline of 2011/2012	Not achieved		Speed up the implementation process to the approved sites				Payday leave system and analysis
SF A 7	Improve performance, compliance, processes and systems	% staff budget actually spent on approved work skills plan.	1,52%			1.60%	1.80%	Management Accounts as read with the Workplace Skills Plan Training register		92% greater	1.80 spent on training identified in the Workplace Skills Plan						Management Accounts as read with the Workplace Skills Plan Training register

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SF A 7	Improve performance, compliance, processes and systems	Increase in Number of Wellness programmes	8			10		Close out report on attendance at Wellness Programmes.		Wellness sessions conducted	5 Wellness activities undertaken						Close out report on attendance at Wellness Programmes.
SF A 4	Bridge the digital divide	Establish ICT Disaster Recovery centre	No baseline			Scope, procure and implement disaster recovery centre	Operational Disaster Recovery Centre tested twice a year	Concept documentation, Specification of requirements, Tender award and Commissioning certificates		92%	Implemented in an incorrect site, core (Munifin), has not moved to the DR site.		Complete approval paper work and thereafter move the equipment to the site.				Concept documentation, Specification of requirements, Tender award and Commissioning certificates
SF A 7	Improve performance, compliance, processes and systems	Increase uptime on telecommunications network	90%			92%		ICT System faults log		92%	93% uptime						ICT System faults log

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SF A 4	Bridge the digital divide	Compatible Telecommunication and IT system.	No baseline			Completed business case study and feasibility study.	Connect municipal buildings on fibre optic; Address redundant network backbone in Bhisho and KWt	Concept documentation, Specification of requirements, Tender award and Commissioning certificates		Completed business case study and feasibility study.	The tender was awarded on the 26 June 2013.		Speed up the implementation of the projects				Concept documentation, Specification of requirements, Tender award and Commissioning certificates
SF A 4	Bridge the digital divide	2012 Aerial Photography on the intranet.	2008 Aerial photography on intranet			50 % of server space upgraded		Webpage		50 % of server space upgraded	50%, server space upgraded and correction for the ESRI GRID files to be done by 17/07/2013						Webpage
SF A 4	Bridge the digital divide	Access to GIS website	City Map on the Intranet			99.89% uptime of the website.		ICT System logs.		99.89% uptime of the website.	99.89% uptime of the website.						ICT System logs.

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SF A 4	Bridge the digital divide	All documents held by the Archives Dept for the year 2010 captured into system.	2011 data captured			All documents held by the Archives Dept for the year 2010 captured into system.	All documents held by the Archives Dept for the year 2008 captured into system.	Archives Register		All documents held by the Archives Dept for the year 2010 captured into system.	All documents held by the Archives Dept for the year 2011 captured into system.						Archives Register
SF A 7	Improve performance, compliance, processes and systems	One-stop-shop for facilities management of buildings and housing	Fragmented Management of facilities			Partial integration and resourcing by 10%	100% integration and resourcing	Minutes of meetings		Integration of the partial -4% = 10% total	No Staff integrated, working currently outside a framework and organogram for this function.		To be discussed further at Top Management				Minutes of meetings

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT																	
SFA 6	**Build Sustainable Communities**	Number of top structures serviced sites provided	680 = Top structures and 218 = serviced sites			1483 = Top structure and 1850 = serviced sites		Handover Certificates (Happy letters) Tick sheets and photos is required		1483 = Top structure (709 (adjusted down downwards - mid-year performance) and 1850 = serviced sites (900 adjusted down downwards - mid-year performance)	432 = Top Structure 77 = Internal services (a additional 250 service sites were competed at Manyano and Thembelihle as well as 253 at Reeston 3 Stage 2, but these sites have not been fully approved by BCMM Roads and water services as yet)		Currently inviting bids for the completion of remainder of works in Reeston Phase 3 Stage 2 . Annual contractors to assist in the completion of projects where possible. Project pipelining to meet projected timeframes. Mechanisms to minimize possible delays due to the movement of shacks from the construction route are being developed. BCMM has awarded several contracts due to begin in the new FY and another will be going to tender on 12 July 2013 for three major projects Additional tenders will go out in the 1st quarter.				Handover Certificates (Happy letters) Ticksheets and photos is required

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SF A 6	**Build Sustainable Communities**	Number of beneficiaries relocated	No baseline			925		Handover Certificates (Happy letters) beneficiary education = attendance register and photos		925 beneficiaries moved to completed formal houses (709 adjusted down downwards - mid-year performance)	432 = Relocated (33 Haven Hills; 27 Mekeni;7 Ilitha South; 362 Potsdam Unit P, 3 Storm Damage)						Handover Certificates (Happy letters) beneficiary education = attendance register and photos
SF A 6	**Build Sustainable Communities**	Number of Service delivery systems interfaced	No baseline			1 (BOP for road and storm water and solid water collection)		0		1 (BOP for road and storm water and solid water collection)							0
SF A 6	**Build Sustainable Communities**	Number of formal households with access to basic electricity 20 Amp Supply	104000			300		Meter Register and statistics of billed consumers from the financial accounting system		300	2431		Housing required to speed up delivery in completion of projects				Meter Register and statistics of billed consumers from the financial accounting system

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SF A 6	**Build Sustainable Communities**	Number of new household (RDP) provided with electricity connection	1200			1500		Signed connection forms and evidence of the opening of a consumer account within the financial accounting system within the period under review.		1500	1473						Signed connection forms and evidence of the opening of a consumer account within the financial accounting system within the period under review.
SF A 6	**Build Sustainable Communities**	Backlog of electricity connections to consumer units	750			450		Signed connection forms and evidence of the opening of a consumer account within the financial accounting system within the period under review.		450	2431		work has since commenced				Signed connection forms and evidence of the opening of a consumer account within the financial accounting system within the period under review.

Chapter 3

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SF A 6	**Build Sustainable Communities**	Number informal dwellings provided with basic service of electricity	No baseline			300		300 this target can only be met if a area within Duncan Village can be identified that meets the Electrification criteria		300 this target can only be met if a area within Duncan Village can be identified that meets the Electrification criteria	0						300 this target can only be met if a area within Duncan Village can be identified that meets the Electrification criteria
SF A 6	**Build Sustainable Communities**	Number of households provided with free basic electricity	62500			64000		Indigent register as compared with financial accounting billing records		6400	Total Indigent registered as at 31 March 2013 = **6680** 3rd quarter = **2076**						Indigent register as compared with financial accounting billing records
SF A3	**Building Citizen Confidence**	Number of renewable energy Investment projects facilitated by BCMM	2			2		Evidence of new initiatives facilitated by the Municipality		2	2						Evidence of new initiatives facilitated by the Municipality

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SF A3	**Building Citizen Confidence**	Number KWH produced by alternative energy sources.	300 KW			600KW		Energy statistical records		600 KW	Not applicable this Quarter						Energy statistical records
SF A 6	**Build Sustainable Communities**	Kilometres of roads and associated services gravelled	50 kms			50 kms of existing roads gravelled or re-gravelled.		Road Production schedules.		15 Km and 50 kms of existing roads gravelled or re-gravelled.	137.3 km (47.6 km).						Road Production schedules.
SF A 6	**Build Sustainable Communities**	Kilometres of roads surfaced	10 km			20km		Records of work done and recorded complaints attended to. Payment Certificates, Requisitions.		20km	34.4 km (18.2 km)						Records of work done and recorded complaints attended to. Payment Certificates, Requisitions.
SF A 6	**Build Sustainable Communities**	Kilometres of existing roads and associated services maintained and rehabilitated	550km			600km		Production Schedules		600km	601.3 km (116.5 km)		Will be awarded end of September 2013				Production Schedules

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SF A 6	**Build Sustainable Communities**	Development of BCMM roads master plan	No baseline			1		Masters plan prepared and adopted as evidenced by the minute of Council		Implementation, master plan will be work in progress (WIP) at the end financial year	Report at Bid stage, to be awarded end of July 2013						Masters plan prepared and adopted as evidenced by the minute of Council
SF A 6	**Build Sustainable Communities**	Number of bridges rehabilitated	1(Westbank)			1		One rehabilitated as evidenced by contract completion certificate		One rehabilitated as evidenced by contract completion certificate	One rehabilitated as evidenced by contract completion certificate		N/A				One rehabilitated as evidenced by contract completion certificate

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SF A 6	**Build Sustainable Communities**	Retain the bluedrop status for Umzonyana and KWT water treatment works and obtain two (2) additional blue drop certification per year for the remaining seven (7) water supply system	2 - existing Blue Drop treatment works. The Blue Drop Status of Umzonyana WTW and KWT Water Treatment Works has been retained			4 granted blue drop status in addition to those stipulated in the baseline.		Certification by Evaluating authority.		4 granted blue drop status in addition to those stipulated in the baseline.	Retained 4 Blue Drop Status and decommissioned one borehole scheme (i.e. Winterstrand Borehole System).						Certification by Evaluating authority.
	Build Sustainable Communities	Reduction in the water backlog in the number of consumers units with access to at least portable water	224 923			226 012		Signed connection forms and evidence of the opening of a consumer account within the financial accounting system within the period under review.		226012	226026 (312 Village 1, 166 Sub Village 2, 493 Village 3, 45 Paratyana and 87 Fort Murray)		Contract expected to be awarded by end of July.				Signed connection forms and evidence of the opening of a consumer account within the financial accounting system within the period under review.

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SF A 6	**Build Sustainable Communities**	% Progress towards accreditation of the Scientific Services Laboratory	20%			40% Develop of Quality Management System		Quality manual, equipment and/or infrastructure amendment invoices		40% Develop of Quality Management System	30%		Contracts have been awarded, and materials sourced. Rural VIP toilets under construction.				Quality manual, equipment and/or infrastructure amendment invoices
SF A 6	**Build Sustainable Communities**	Reduction in the sanitation backlog in the number of consumer units with access to at least a basic level of sanitation	142 369			144 219 (1850 units)		Monthly sanitation statistical report, payment certificates		146 141 + 1850 = (147 991) as 30 June 2013) Providing access for 461 households to at least a basic level of sanitation and 500 under construction	146336		Funding to be allocated in line with WC/WDS and business plan over a 5 year period				Monthly sanitation statistical report, payment certificates

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
	To provide an efficient and effective, collection and disposal of solid waste	% reduction of unaccounted water in terms of system losses	40%			35%		Monthly statistical records of purchases and sales		Reduction from 47% to 40%	Installed 44 bulk water meters at standpipes in Duncan Village, C-Section and read them in March and June 2013. 97 meters installed on ablution blocks throughout out the City. Water tanker deliveries to villages without water is recorded monthly. Total water demand has been reduced by approximat ely 2%						Monthly statistical records of purches and sales

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SF A 6	**Build Sustainable Communities**	Number of waste minimisation projects initiated	2(3 Bag System at DV) and Construction of BBC at Oriental Plaza%			(3 Bag System at DV) but no funding available establishment of plant composting plant in Mdantsane		Reports from unit		1%	5 DROP OFF POINTS in strategic places around BCMM		The Department of SW has submitted a memo requesting land administration to assist SW Dept				Reports from unit

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SF A 6	**Build Sustainable Communities**	Milestone towards construction of central waste transfer station and related infrastructure	No baseline			Land identification, environmental impact assessment, land acquisition		Evidence of land as per approved Council Minute, completed environmental assessment as evidenced by report and signed transfer documents / deed of ownership.		Land acquisition	Not achieved		The Department of SW has requested the roll over funding for the new financial year so that the project will be done.				Evidence of land as per approved Council Minute, completed environmental assessment as evidenced by report and signed transfer documents / deed of ownership.

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SF A 6	**Build Sustainable Communities**	Number of waste cells constructed at Rounhill land fill site	2	As per the Waste Act principles, landfill site has to have waste cells, and the dept requires 2 more cells	100% backlog (2 cells)	1	1-Jan-00	Evidence of tender advertised , awarded/letter of award, certificate and consultant certificate of completion of works and accordance with contract	Planning, Procurement Processes (BSC, BEC, BAC)	Completion of cell	Not achieved		Report prepared to Top Management and Council to explain the processes.	N/A		N/A	Evidence of tender advertised, awarded/letter of award , certificate and consultant certificated of completion of works and accordance with contract

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SFA 5	**Build Citizen Confidence**	% progress towards the development of Municipal service health plan	No baseline			100% Council approved Municipal service plan		Council resolution Municipal service plan report		Report on a Council approved Service Plan. The Consultative processes undertaking & Final Municipal Health Service draft	Council Approved Municipal Health Services plan dated the 29 May 2013, BCMC 223/13		Report prepared explaining the consultation of Councillors throughout the process and recommending that the Disaster Risk Management Policy Framework be approved.				Council resolution Municipal service plan report
SFA 5	**Build Citizen Confidence**	Milestones towards the review of the Disaster Management Policy	Existing draft Disaster Management Policy			Council resolution on adoption of the Reviewed Policy		Milestones towards the review of the Disaster Management Policy		Council approval	Submitted to Standing Committee and Mayoral Committee deferred by Mayoral pending a further workshop		Submit report to the BAC				Milestones towards the review of the Disaster Management Policy

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SFA 5	**Build Citizen Confidence**	Number of fire & Rescue facilities built	7 existing fire stations			1 (Complete KWT) (Start Chalumna process)		Consultants certification of hand over of station and initial allocation of equipment and manpower.		Completion of planning phase for additional Fire Stations and Completion of KWT Fire Station	Construction in progress in KWT Fire Station and work completed is at 90%. Waiting for a letter of award from BAC. Consultation with Land Administration for Chalumna Fire Station.						Consultants certification of hand over of station and initial allocation of equipment and manpower.

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SF A 5	**Build Citizen Confidence**	Number of measures implemented to reduce crime incidents in the metro	60 road blocks/special programs			80		Monthly reports, Operational Plans, Duty Rosters		80	**241** (This is a total of 153 from 2nd quarter plus 29 for the 3rd quarter, 59 for 4th Qtr)		Acting Director & Commander LE to conduct follow up meetings and consultation with MEC to query why the approval has not been finalised as all parties were in agreement at the last meeting.				Monthly reports, Operational Plans, Duty Rosters

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SFA 5	**Build Citizen Confidence**	% Progress in the establishment of Metro Police	Council Resolution on establishment of Metro Police			Application submitted to the MEC		Report submitted to Council and letter to appropriate authorities		Costed application developed, approved by Council and submitted to the MEC	Meeting between BCMM Officials and MEC office and officials took place on the 25 Feb 2013 at the MEC office to iron out outstanding issues. Agreement was reached at the meeting. Imatu also submitted their final approval for the establishment of Metro Police.						Report submitted to Council and letter to appropriate authorities

Chapter 3

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	**Strategic Focus Area (IDP)**	**Key Performance Indicator**	**Baseline (Previous years actual)**	**Demand**	**Backlog**	**Annual Target (Year)**	**5 Year Target**	**Means of verification**	**Unit of Measure**	**Quarterly Target**	**Quarterly actual**	**Status (Achieved /Not Achieved)**	**Measures taken to improve performance**	**Performance Monitoring Quality Assurance comment**	**Management Response**	**Internal Audit Comment**	**Portfolio of Evidence**
SF A 5	**Build Citizen Confidence**	Number of measures implemented to enhance road safety	80			100 measures		Monthly reports, Operational Plans, RTMC reports		100	**354** (This is a total of 103 from 2nd quarter plus 119 3rd quarter, 132 for 4tl Qtr)		Funding was never secured for the project				Monthly reports, Operational Plans, RTMC reports
SF A 6	**Build Sustainable Communities**	% Progress in the development of the Masterplan	No baseline			0		Master Plan prepared and adopted as evidenced by the minute of Council		Implementation, Master Plan will be Work In Progress (WIP) at end of financial year.	Plan not developed		Tenders were re-advertised and project is at bid evaluation stage				Master Plan prepared and adopted as evidenced by the minute of Council
SF A 6	**Build Sustainable Communities**	Number of new amenities upgraded and refurbished	44	90 halls	80 halls	20	50 halls	Expenditure and works orders		20	0		No corrective action within the Directorate is applicable	Assessment of contractors & final handovers	Targets achieved	-	Expenditure and works orders

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SF A 6	**Build Sustainable Communities**	Number of new amenities upgraded and refurbished	44	Existing cemeteries reached full capacity.	7	20	17	Expenditure and works orders		20	0		No corrective action within the Directorate is applicable	ROD from Environmental Affairs, Number of Children's play park equipment supplied and installed. Number of cemeteries developed and upgraded.	Reports to Council and Handover of completed projects to beneficiary communities.	Verification by internal audit.	Expenditure and works orders

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SF A 6	**Build Sustainable Communities**	Number of new amenities upgraded and refurbished	44	Subject to completion of Amenities Master plan	Subject to completion of Amenities Master plan	11	9	Expenditure and works orders		11	2 (Upgrading of Zoo project completed and upgrading of drainage system in Marina Glen completed)		Follow ups were made with SCM to speed up processes related to tenders.	Project were completed according to scope and within budget.	N/A		Expenditure and works orders
SF A 6	**Build Sustainable Communities**	Number of completed local special development frameworks	10 approved LSDF's			2 Completed LSDF'S		Completed LSD for submission to Council for approval		2 Completed LSDF's	Target archived for Holmhill Feasibility Study but not for Vincent/Berea LSDF Review		The project will be completed in July 2013.				Completed LSD for submission to Council for approval

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SF A 6	**Build Sustainable Communities**	BCMM coverage with updated aerial photography	Aerial Photography 2008			Production of updated aerial photography 2008		Aerial photography 2013		Production of updated aerial photography	70% of the target was achieved.		Council Resolutions have been received and are in the process of being implemented and Advertisements have been placed in the Daily Dispatch to enable procurement process to unfold.				Aerial photography 2013
SF A 6	**Build Sustainable Communities**	Number land parcels acquired	2 Land parcels acquired			2		Approve budget and transfer documents		2 = Deed of sale or Deed of transfer	Nil		Council Resolutions have been received and are in the process of being implemented and Advertisements have been placed in the Daily Dispatch to enable procurement process to unfold.				Approve budget and transfer documents

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SF A 6	**Build Sustainable Communities**	Number of land parcels released	5 Land parcels released			2		Application for lease of municipal land		2 Lands made available for re-distribution	Nil						Application for lease of municipal land
SF A 6	**Build Sustainable Communities**	% progress review of ITP	2008-2013 Council approved ITP			100%				Approved & adopted reviewed ITP as evidenced by a resolution of council	The reviewed ITP was submitted to Council via the Development Planning and Management Committee on 10 June 2013.						
SF A 6	**Build Sustainable Communities**	Kms of BRT lanes constructed	No baseline			2		Payment certificates as certified by consultants and visual evidence		2Km	Nil						Payment certificates as certified by consultants and visual evidence

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	**Strategic Focus Area (IDP)**	**Key Performance Indicator**	**Baseline (Previous years actual)**	**Demand**	**Backlog**	**Annual Target (Year)**	**5 Year Target**	**Means of verification**	**Unit of Measure**	**Quarterly Target**	**Quarterly actual**	**Status (Achieved /Not Achieved)**	**Measures taken to improve performance**	**Performance Monitoring Quality Assurance comment**	**Management Response**	**Internal Audit Comment**	**Portfolio of Evidence**
SF A 6	**Build Sustainable Communities**	Completion of BRT detailed planning phase	Detailed operational plan approved			70%		Planning documents approved Business Plans		Final plans complete for at least one section of the BRT corridor to allow construction to commence	Nil		Ndevana Bridge: Facilitate bidding process to ensure that construction award is made and commence on site as soon as award is made.				Planning documents approved Business Plans

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	**Strategic Focus Area (IDP)**	**Key Performance Indicator**	**Baseline (Previous years actual)**	**Demand**	**Backlog**	**Annual Target (Year)**	**5 Year Target**	**Means of verification**	**Unit of Measure**	**Quarterly Target**	**Quarterly actual**	**Status (Achieved /Not Achieved)**	**Measures taken to improve performance**	**Performance Monitoring Quality Assurance comment**	**Management Response**	**Internal Audit Comment**	**Portfolio of Evidence**
SF A 6	**Build Sustainable Communities**	Number of ITP projects implemented	Council approved ITP			5 Projects		Payment certificates as certified by consultants and visual evidence		Construction	**4 projects completed** - Sidewalk on Stirling completed Guardrails in various areas within the BCMM completed. Speed humps within the BCMM completed and procurement of traffic controllers and signal heads completed. Ndevana Bridge construction tender at BEC.						Payment certificates as certified by consultants and visual evidence

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SF A 6	**Build Sustainable Communities**	Number of programmes implemented in accordance with the integrated environmental and coastal zone management plans	3 (Hlanza River care) (Nahoon River care) (Working for coast)			1		close out reports	projects	1	The project has been completed.						close out reports
SF A 6	**Build Sustainable Communities**	Climate change strategy	No baseline			Climate change strategy	to be determined by the strategy		reports	100% completion of strategy	Service Provider appointed 6 April 2013	service provider has been appointed	Service provider appointed and will commence work soon				
SF A 6	**Build Sustainable Communities**	Number of projects implemented in accordance with the environmental education strategy	2(International cleanup)			4	4	Close out report as presented to Top Management as evidenced by minute	reports	1	WESSA appointed to conduct teacher training		Increase HR capacity				Close out report as presented to Top Management as evidenced by minute

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SF A 6	**Build Sustainable Communities**	Improve mechanisms identified for Township Regeneration (reviewed to incorporate MURP and DVRI revised targets)	Duncan Village Local Special Development Framework			Develop a DVRI business plan		Situation Analysis		Submission of DVRI business plan to Council	Situation analysis report completed						Situation Analysis
SF A 6	**Build Sustainable Communities**	Facilitate green economy investment nodal plans by number of climate change/renewable energy project implemented	No baseline			1 (pilot)		No such projects implemented to date		1							No such projects implemented to date

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SF A 6	**Build Sustainable Communities**	Number of projects implemented to enhance labour competitiveness	Duncan Village skills audit			3(Internships programmes) Skills development programme and ITC centre project		Training certificates issued per programme		3 Projects: 1. Internship Programmes 2. Skills Development programme 3. ICT centre project	Not applicable this Quarter		We will embark on preventative maintenance in the new financial year and employ more mechanics in the new micro structure and request funding for purchasing new vehicles.				Training certificates issued per programme
SF A 7	**Improve performance, compliance, processes and systems**	% Reduction in downtime of the mechanical workshop	40% Average annual downtime			30% (reduction of downtime)		Statistical data of vehicles and plant time spent in workshops as a percentage of available working hours		Average annual down time is 30% or less	target achieved at 30 % with challenges stipulated in the next blocks.						Statistical data of vehicles and plant time spent in workshops as a percentage of available working hours
LOCAL ECONOMIC DEVELOPMENT																	

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SF A 7	Local Economic Development/ Job Creation	Number of economic empowerment programmes implemented	13			15		Project reports, photos, attendance registers, training manual, brochures and certificates		2 = 15: (Skills and sector development programmes) Business Management and Tourism Support Programmes	Partnerships operation with City of Oldenburg						Project reports, photos, attendance registers, training manual, brochures and certificates
SF A 7	Local Economic Development/ Job Creation	Number marketing initiatives undertaken to the market city	14			16	20	Project reports, photos, attendance registers, training manual, brochures and certificates		16							Project reports, photos, attendance registers, training manual, brochures and certificates

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SF A 7	Local Economic Development/ Job Creation	Number economic policies developed and reviewed	2			3	5	Council minutes		3(SMME Strategy, agro-tourism strategy, cooperative development strategy, trade and investment strategy, review of bylaws, informal trader strategy). Development and review of sector plans. LED strategy, SMME strategy, trade and investment strategy							Council adopted strategies - Council minutes

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SF A 7	Local Economic Development/ Job Creation	Number Economic support programmes implemented	14			3	8	Report, photos, attendance registers, training manuals, brochures & certificates		1							Report, photos, attendance registers, training manuals, brochures & certificates
SF A 7	Local Economic Development/ Job Creation	Number of job opportunities created through EPWP	1088 (full time equivalent)			1543 FTE's		Reports to authorising authorities		381 FTE's and total 1543 FTE's			NDPW to upgrade the MIS. Selection of EPWP sub champions in each contributing department and directorates and selection of political sub champion/s as required by EPWP Regional steering committee.				Reports to authorising authorities

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SF A 7	Local Economic Development/ Job Creation	No of partnerships established	1			2	4	Signed partnership agreement		2							Signed partnership agreement
SF A 9	Financial viability	Reduction in the billing debt book	R820m (estimate as at June 2012)			5% with a variance as per quarters 5% (41 million)	10% (82 million)	Section 71 reports		2 to 5% R41 000 000	R92,826,532						Section 71 reports
		Reduction in Number of Meter Tampering	10 000			8000		Meter tamper register		8000 with a variance of positive 500 - 2000	11 000						Meter tamper register
SF A 9	Financial viability	Ratio of current assets to current liabilities	1.5:1			1.55:1	1.65:1	Ratio Analysis and Section 71 reports		Greater than 1.55:1	2.07:1						Ratio Analysis and Section 71 reports
SF A 9	Financial viability	Debt to revenue ratio	23,9%			<35%	<35%	Section 71 reports		Ratio maintained at less than 35%.	19.60%						Section 71 reports

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SF A 7	Improve performance, compliance, processes and systems	% Progress towards single access point to property information	GIS TEXT (Intranet)			20%		GISTEXT (Intranet)		20%	20%						GISTEXT (Intranet)
SF A 7	Improve performance, compliance, processes and systems	Revised controls and procedures devised to produce credible annual financial statements	Financial statements classified as adverse opinion.			Revised internal control processes adopted and implemented.	Unqualified audit	2012/13 Annual Financial Statements.		Revised standard operating procedures. 2011/12 Fixed Asset Register.	Standard Operating procedures have been revised.						2012/13 Annual Financial Statements.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION																	

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SF A 8	Improve governance	Progress towards implementation of Risk, Fraud and Internal Audit Initiatives as evidenced by the formulation and implementation of mitigation strategies.	Existing Risk Management Framework and Fraud Policy.			Approval of Risk and Fraud Strategies.	Perform Fraud Risk Assessment in 4 directorates by Yr5	Top Management Minute adopting Risk Policy and Fraud Mitigation Strategy		Approval of Risk and Fraud Strategies.	Target for Risk Policy Achieved in the 1st Quarter: Target for Fraud Mitigation Strategy achieved in 2nd Quarter						Top Management Minute adopting Risk Policy and Fraud Mitigation Strategy
SF A 5	Improving performance, compliance, processes and systems	Bi-annual assessment of staff.	Applicable only to Section 57 employees			Implement system from City Manager to post level 15	Further implementation - from Task Grade 7 to 2	Finalised Agreements		Implement system from City Manager to post level 15	No implementation of PMS to levels below Section 56						Finalised Agreements
SF A 5	Improving performance, compliance, processes and systems	Quarterly assessment of scorecard	Quarterly assessment of scorecard			Quarterly assessment of scorecard		Quarterly Performance Reports presented to Top Management as evidenced by Minute.		Quarterly assessment of scorecard	Quarterly assessment of scorecard						Quarterly Performance Reports presented to Top Management as evidenced by Minute.

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SF A 5	Improving performanc e, compliance , processes and systems	Number of Case studies documented	3			1		Evidence of tender advertise ment, award of tender and case study presented to Top Managem ent as evidenced by Minute.		One Case study complete	One Case study complete						Evidence of tender advertise ment, award of tender and case study presented to Top Managem ent as evidence d by Minute.
SF A 5	Improving performanc e, compliance , processes and systems	Number of knowledge sharing session held	No baseline			2 Knowled ge sharing sessions		Attendanc e Registers and report on sessions presented to Top Managem ent as evidenced by Minute.		2 Knowledge sharing sessions	2 Knowledge sharing sessions						Attendanc e Registers and report on sessions presented to Top Managem ent as evidence d by Minute.

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SF A 2	Improve intergovernmental relations	Number of Programmes supported through existing partnerships	12 Existing Programmes as follows - Good Governance housing, Sludge management, Youth at Risk, Keys for Kids, Upgrading of Aspiranza Clinic, Safe Park, Lighting project, Hydroponics, Electricity, Floodplain, Solid Waste, Sanitation	Programmes are complimentary to BCMM service delivery priorities	None	14 (2 new programmes)	15 new programmes achieved	Copies of achieved approved Programmes	Number of applications applied for and approved	2 new project/programme approved 14 (2 new programmes)	2 new projects achieved.						Copies of achieved approved Programmes

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SF A 2	Improve intergovernmental relations	Number IGR programmes implemented with sector departments and parastatals	4 existing programmes - Home Affairs, Education, Human Settlements; Local Government & Traditional Affairs	Legislative need to engage in IGR to improve planning, implementation and general relations between different spheres of government	None	7 (3 new programmes)	11	Copies of sector departments programmes	Number of IGR programmes with sector departments, parastatals and government agencies	7 (3 new programmes)	Achieved						Copies of sector departments programmes
SF A 8	Improve governance	Number of public participation activities implemented	5			7	9	Copies of agenda's and programmes		7	7						Copies of agenda's and programmes
SF A 8	Improve governance	Ward Committee meetings convened once in 2 months in each ward	3 (per ward)			6 (per ward)	6 per ward per annum	Ward Committee minutes and analysis sheets detailing operations of all Committees.	Records of meetings and attendance registers	6 (per ward)	33 Ward committee meetings out 100 were held.		The Speaker will ensure that Ward Councillors adhere to their schedule of Ward Committee Meetings as per agreement.				Ward Committee minutes and alalysis sheets detailing operations of all Committees.

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SF A 8	Improve governance	Number of Ward Public Meetings	2(per ward)			1(per ward)	4 per ward per annum	Ward Committee minutes and analysis sheets detailing operations of all Committees.	Records of meetings and attendance registers	4(per ward)	9 public meetings out 50 were held.		Council resolution of the 12 December 2012 states that Ward Public meetings should be included in the Institutional Calendar and be monitored by the office of the Speaker.				Ward Committee minutes and analysis sheets detailing operations of all Committees.
SF A 8	Improve governance	No of shared community activities implemented	4			12	17	Copies of agenda's and programmes	Communication plans	4 communication plans implemented	8		N/A reached target				Copies of publications and designs as per plans

BUFFALO CITY METROPOLITAN MUNICIPALITY 4th QUARTER INSTITUTIONAL SCORECARD 2012-2013: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT																
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
SF A 8	Improve governance	Programmes implemented which are responsive to / in line with taking cognizance of the MDG Mainstreaming Framework in response to MDG Mainstreaming Framework.	7 programmes			Additional 5 programmes initiated in 12/13 FY	Additional 4 programmes initiated in FY 15/16	BCMM's Mainstreaming Millennium Development Goals Framework	Records of meetings and attendance registers	Implement 2 of 5 programmes and total of 5 programmes over previous years programmes	5 of 6 pilot Ward Based AIDS Councils established.		Seeking assistance from the Speaker for cooperation from the councillor from ward 28				BCMM's Mainstreaming Millennium Development Goals Framework
Achieved 		Not achieved 		Reporting not applicable this quarter 		No information provided 										

SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS 2012-2013							
DIRECTORATE: CHIEF OPERATING OFFICER							
Objective	**Indicator**	**Baseline**	**Target 12/13**	**Quarter 4**	**Actual Target Achieved**	**Reason For Deviation**	**Corrective Action**
MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT							
To improve living conditions in BCMM Townships	Improve mechanisms identified for Township Regeneration (reviewed to incorporate MURP and DVRI revised targets)	Duncan Village Local Special Development Framework	Develop a DVRI business plan	Submission of DVRI business plan to Council	Situation analyis report completed	The workshop that was planned for 08 & 09 May to develop the Business Plan was cancelled on 07 May 2013. No other date has been allocated on Council diary.	Speaker's office shall allocate other dates.
		Mdantsane Quality of life survey.	Procurement of a sevice provider to conduct the impact of the programme in the node	Appointment of a service provider	Not achieved		

Capacitated and Structured to enable efficient, effective and sustainable service delivery	Sign-off and submit performance reports	4	4	4	4	No deviation	No Corrective Action Required
BASIC SERVICE DELIVERY AND INFRASTRUCTURE							
To improve the quality of life through provision	Number of beneficiaries educated about home ownership	0	4000	4000	4039	No deviation	No Corrective Action Required

of formal houses	Number of housing opportunities provided (Top Structure)	833	709	709 (adjusted down downwards - mid-year performance)	**432 = Top Structure** (33 Haven Hills; 27 Mekeni;7 Ilitha South; 362 Potsdam Unit P, 3 Storm Damage)	Poor performing contractor. Numerous attempts to enforce the contractor to increase the delivery outputs in order to bring the projects to completion were undertaken by the Municipality (Manyano & Thembelihle and Reeston). BCMM has terminated the contract with the appointed poor performing contractor on both projects.The appointment of the contractor was contested in court for review, the matter was settled and the second bidder considered. Construction commenced in February 2013 with construction of internal services and is progressing well (Second Creek). The project pre - implementation processes (finalization of the EIA study and finalization of project designs) took longer than the projected duration (Cluster 1, Cluster 2, Cluster 3 and Mdantsane Zone CC). The implementation documentation is being finalized (tender documents) in order to resume with procurement processes which should be finalized within the first two quarters of 2013/2014 financial year.	The Municipality is in the process of inviting bidders before the end of June 2013 for the completion of remainder of works in Reeston Phase 3 Stage 2 (approximately 1500 Units) due to outstanding volume of work that cannot be accommodated under the available annual contracts. Annual contractors will assist by minimizing time in the procurement processes, bring the projects to completion within limited time (Manyano & Thembelihle and Area A of Reeston Phase 3 Stage 2) and yield some delivery targets. The Department is attempting to spend at least 50% of the allocated budget in the first quarter of the new financial year due to delays that has been encountered in the engagement of annual contractors. This project pipelining will assist in the completion of the project within the projected timeframe, August 2014. Mechanisms to minimize possible delays due to the movement of shacks from the construction route are being developed. (Second Creek) The Department has since awarded several contracts namely Sunny South, Tyutyu Phase 2 and will be going to tender on 12 July 2013 for three major projects namely Mdantsane Cluster1 : 1459 units, Reeston Phase 3 Stage 3: 1137 Units, Reeston Phase 3 Stage 2 : 1579 intemal services. Further to that, the Department will resume with the procurement process before the end of first quarter of the new financial year for Mdantsane Zone 18 cc: 500 Units, Mdantsane Cluster 2: 872 Units, Fynboss 1 and 2 and Ndancama: approximately 700 units.

To improve the quality of life through provision of formal houses	Number of housing opportunities provided (Internal Services)	0	900	900 (adjusted down downwards - mid-year performance)	**77 = Internal services** (a additional 250 service sites were competed at Manyano and Thembelihle as well as 253 at Reeston 3 Stage 2, but these sites have not been fully approved by BCMM Roads and water services as yet)	Poor performing contractor. Numerous attempts to enforce the contractor to increase the delivery outputs in order to bring the projects to completion were undertaken by the Municipality (Manyano & Thembelihle and Reeston).	Annual contractors are engaged in the completion of Manyano & Thembelihle project and Area A of Reeston Phase 3 Stage 2 comprising of approximately 900 units. The Municipality is in the process of inviting bidders before the end of June 2013 for the completion of remainder of works in Reeston Phase 3 Stage 2 (approximately 1500 Units) due to outstanding volume of work that cannot be accommodated under the available annual contracts.
To improve the quality of life through provision of formal houses	Number of households allocated affordable social housing units	344	160 = new units	160	528	No deviation	No Corrective Action Required
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT							

To improve living conditions in BCMM	The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	45%	80% with a variance of 5% negative	80% of pro-rata budget with a variance of 5% negative	65%	The contractor for Manyano /Thembelihle & Reeston Phase 3 Stage 2 was terminated due to poor performance which led to less expenditure of the allocated USDG budget . The contractor in 2nd Creek started to work late due to litigation challenges surrounding the award of the contract, however the contractor is now proceeding with the work on site.	

SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS 2012-2013							
DIRECTORATE: COMMUNITY SERVICES							
Objective	**Indicator**	**Baseline**	**Target 12/13**	**Quarter 4**	**Actual Target Achievd**	**Reason For Deviation**	**Corrective Action**
MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT							
Capacitated and structured to enable efficient, effective and sustainable service delivery	Sign off and submit performance reports quarterly	4	4	4	4	N/A	N/A
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT							

To improve living conditions in BCMM	The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	45%	80%	80%	23%	Community Parks : No bids received with initial tender. Continuation of refurbishment of KWT Hall at procurement stage. Redevlopment Of Mdantsane NU2 swimming pools and upgrading of waterworld : Delays caused by SCM led to projects being stalled and lack of response from Architects division resulted in upgrading of Esplanade not being executed. Construction of 3rd Cell Contract with previous service provider was terminated. KWT Tannery Site : Tender put on hold while seeking advice from Environmental Affairs on a permit. Solid Waste Management : R36 000 000 was not requested by the Directorate	Community Parks : Tender re-advertised and at bid evaluation stage. Re-development of Mdantsane NU2 swimming pools and upgrading of waterworld : Roll overs of funding has been requested for the projects, upgrading of Esplanade is being executed by the Architects division and LED. A report was submitted to the City Manager for intervention on the project for Re-development of Mdantsane Swimming Pool and Upgrade of Waterworld. Construction of 3rd cell : A request was made for funding to be rolled over. New tender process will be followed to appoint another Service Provider.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE							

Ensure a safe and healthy environment	Milestones towards construction of Central Waste Transfer Station and related infrastructure	0	Land identification Environmental Impact Assessment Land acquisition	Land Acquisition	Not achieved	Availability of land is still a challenge	The Department of SW has submitted a memo requesting land administration to assist SW Dept
Ensure a safe and healthy environment	Number of waste cells constructed at Roundhill Landfill site	2 existing cells plus design phase for 3rd cell	Construction of 1 new cell	Completion of Cell	Not achieved	The contract for service provider was terminated.	The Department of SW has requested the roll over funding for the new financial year so that the project will be done.
Ensure a safe and healthy environment	Milestones towards Construction of the 3rd Cell at Roudhill Landfill Site	0	Complete detail design	Final Design report	Not achieved	The contract for service provider was terminated.	A request for roll over was done, service provoder wll be appointed.
Ensure a safe and healthy environment	Access Road to Waste Cells	1	1 (completion of road)	Clearing and preparing for construction	Not achieved	Roads dept was fully committed for the last quarter, but could not do the work	Roads dept could not do as had promised and promised to do it in the new year

Ensure a safe and healthy environment	Construction of KWT Weigh Bridge	1	1	Finilizing the planning (Finalizing the specification)	Achieved	N/A	N/A
Ensure a safe and healthy environment	Number of households earning less than R1100 per month with access to free basic solid waste removal	5,000	Figures will be re-calculated at year end for reporting purposes	Figures will be re-calculated at year end for reporting purposes	Awaiting report from Billing	N/A	N/A
Ensure a safe and healthy environment	Number of households with access to basic level of solid waste removal	5 000	3 000	1000	Awaiting report from Billing	N/A	N/A
Ensure a safe and healthy environment	Number of households with weekly kerb-side waste removal services in formal areas	117 384	130 000	26 161	119 887	N/A	N/A

Ensure a safe and healthy environment	Number of informal settlement dwellings with access to refuse removal	17 000	2000	500	900 (Nompumelelo and Ducats)	N/A	N/A
Ensure a safe and healthy environment	Backlog of kerb-side refuse removal services to consumer units (once a week)	4 Areas per week (2 areas per year)	3 Areas per week (1 area per year)	No backlog expected	Not achieved	Mechanical Breakdowns, and high rate of absenteeism	Department to liaise with HR for relief staff
Ensure a safe and healthy environment	Number of amenities upgraded and refurbished - community parks	3	10	5	0	There were no bid received in the initial tender advertisement for the Supply and Development of Community Parks	Tenders were re-advertised and project is at bid evaluation stage
Ensure a safe and healthy environment	Number of amenities upgraded and refurbished - cemeteries	3	8	3	3	N/A	N/A

Ensure a safe and healthy environment	Number of amenities upgraded and refurbished - mdantsane swimming pool, waterworld, sportsfields, aquarium and esplanade.	2	5	3	0	Reprioritization of projects by Director of Community Services and delays caused by SCM for the project of redevelopment of Mdantsane Swimming Pool and upgrading of Waterworld led to projects being stalled. Lack of response from Architects Division for the project of upgrading of Esplanade resulted in the project not being executed.	Roll overs of funding was requested for the projects. Upgrading of Esplanade is being executed by the Architects Division and LED as an integrated project. A report was submitted to the City Manager for intervention on the project for redevelopment of Mdantsane Swimming Pool and upgrade of Waterworld.
Ensure a safe and healthy environment	Number of amenities upgraded and refurbished - Halls	10	10	5	5	N/A	N/A
Ensure a safe and healthy environment	Number of Biodiversity programmes implemented	2	4	4	ELIDZ appointed through DEA to immplement project	ELIDZ (project implementer) only appointed in May 2013	Work is to commence as soon as possible

	Number of projects implemented in accordance with Environmental Education Strategy	2 (International Coastal Cleanup)	4	4	WESSA appointed to conduct teacher training	N/A	N/A
Ensure a safe and healthy environment	Number of waste minimisation projects initiated	0 and 5	30 Recycling containers and 5 glasscrushers	30 recycling containers and 5 Glass crushers	5 DROP OFF POINTS in strategic places around BCMM	N/A	N/A
GOOD GOVERNANCE AND PUBLIC PARTICIPATION							
Ensure a safe and healthy environment	Developed Climate Change Strategy	0	100% completion of Strategy	Service Provider Appointed	Service Provider appointed 6 April 2013	N/A	N/A

SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS 2012-2013								
DIRECTORATE: CORPORATE SERVICES								
OBJECTIVE	**INDICATOR**	**BASELINE**	**PORTFOLIO OF EVIDENCE**	**TARGET 12/13**	**Q4**	**ACTUAL TARGET ACHIEVED**	**REASON FOR DEVIATIONS**	**CORRECTIVE ACTION**
MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT								
Develop an effective and efficient human capital to enhance service delivery	Revised Metro micro structure	Existing BCMM Macro structure	Council Minute approving the Micro Structure outline	Completion and approval of the Micro Structure and migration of staff to structure.	Completion and approval of the Micro Structure and migration of staff to structure as evidenced by a revised and populated Organisational Structure.	Not achieved	The macro structure revisited and only approved in June 2013	Workstream meetings reinstated, Targeting end October/November 2013 for final approval of micro structure
	Reduction in the time for completion of Disciplinary cases	Existing time to conclude all cases is currently 8 months	Register of Disciplinary cases.	70 % of disciplinary cases originated during the financial year are concluded within 6 months of date of initiation of notice to charge. Variance of 5% clear is accepted	70 % of disciplinary cases originated during the financial year are concluded within 6 months of date of initiation of notice to charge. Variance of 5% clear is accepted	68.9% of Disciplinary Hearings are finalised within six (6) months from the date reported. With an acceptable deviation of 1%.		

	Reduction in the absenteeism rate.	Current absenteeism rate of 11%	Payday leave system and analysis	9% absenteeism in Quarter 4	9% absenteeism (2% reduction over the baseline of 2011/2012)	Not achieved	Contract on Electronic Attandance System approved in June 2013.	Speed up the implementation process to the approved sites
	Increase Number of Wellness programmes conducted	8 Wellness Programmes	Close out report on attendance at Wellness Programmes.	Increase of 2 to 10	3(target) =10 Wellness sessions conducted	5 Wellness activities undertaken		
Develop an effective and efficient human capital to enhance service deliver	The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	24	Employment Equity Plan	28 (Additional 4)	3+1 target=4 total 28	2 = Appointment of GM: HR and GM: Solid Waste		

Enhancement of performance of the institution.	Signing of performance agreements & plans of Section 57 to Task Grade 15	Section 57 performance plans	Council Minute of adopted EPMDS, Attendance Registers & programmes, finalised peformance agreements and plans of Section 57's to Task Grade 15	Implement Employee Performance Management and Development System (EPMDS) from City Manager to post level 15	Implement system from General Managers to task grade 15	Employee performance and development management system.Council adopted final draft EPMD policy.	Awaiting the signing of individual performance agreements of section 56 managers.	Process Plan developed to ensure seamless implementation of performance plans as soon as the section 56 managers have signed their performance agreements.
	Change Management strategy development	None	Change Management strategy document	Implement Change Management Programme - re EPMDS from City Manager to Task Grade 15	Finalisation of the change management programme - re EPMDS from City Manager to Task grade 15	Change Management strategy has been developed and workshoped with senior management and labour unions.	None	N/A
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT								
Develop an effective and efficient human capital to enhance service delivery	% of Budget actually spent on approved workskills plan	1.52% of staff budget spent	Management Accounts as read with the Workplace Skills Plan Training Register.	1.6% of staff budget	1.60% of staff budget spent on training identified in the Workplace Skills Plan with variance of 5%	1.80 spent on training identified in the Workplace Skills Plan		
BASIC SERVICE DELIVERY AND INFRASTRUCTURE								

Provide an effective and efficient information and communication Technology to BCMM Internal and External Customers	Established ICT Disaster Recovery Centre	No existing ICT Disaster Recovery Centre.	Concept documentation, Specification of requirements, Tender award and Commissioning certificates	Scope, procure and implement ICT disaster recovery Centre	Operational Disaster Recovery Centre as evidenced by first successful recovery test	Implemented in an incorrect site, core (Munifin), has not moved to the DR site.	Waiting for the approval from the BCMM to utilise the IDZ site	Complete approval paper work and thereafter move the equipment to the site.
	Increased uptime on telecommunications network.	Existing average uptime of 90%	ICT System faults log	92% uptime	92% uptime	93% uptime		
	Compatible Telecomunication and IT system.	No Base line established as new concept.	Concept documentation, Specification of requirements, Tender award and Commissioning certificates	Procurement of Systems	Implementation of the E-Procurement System	The tender was awarded on the 26 June 2013.	Procurement system took longer than expected	Speed up the implementation of the projects
Providing an efficient safe accessible document management environment .	All documents held by the Archives Dept for the year 2011 captured into system.	2010 data captured	Availablity of 2011 documents on the EDMS	All documents held by the Archives Dept for the year 2011 captured into system.	All documents held by the Archives Dept for the year 2011 captured into system.	All documents held by the Archives Dept for the year 2011 captured into system.		
LOCAL ECONOMIC DEVELOPMENT								

Provide an effective and efficient information and communication Technology to BCMM Internal and External Customers	Access to GIS website	97% uptime	ICT System logs.	99.89% uptime of the website.	99.89% uptime of the website.	99.89% uptime of the website.		
GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
Provide an effective and efficient information and communication Technology to BCMM Internal and External Customers	Milestones towards business processes re-engineering	Existing non-integrated programmes.	Business process feasibility study document.	Business process feasibility study completed.	Business process Feasibility Study completed .	Business process Feasibility Study completed .		
Providing an efficient safe accessible document management environment .	% of the Council decisions implemented	Minutes of Council meetings	Progress report to Council on implementation of Council Resolutions	80% of the number of Council resolutions taken	April to June resolution submitted to Council.	April to June resolutions prepared for submission to Mayoral and the proceed to Council.		
Providing an efficient safe accessible document management environment .	Time taken to circulate Council agenda to all Councillors before a meeting	4 days	Register of items listed for inclusion in packages	7 days	7 days	7 days		

Improve performance, compliance, processes and sytems - enhancement of performance of the institution	Progress towards implementation of Risk, Fraud and Internal Audit Initiatives as evidenced by the formulation and implementation of mitigation strategies.	Existing Risk Management Framework and Fraud Policy.	Top Management Minute adopting Risk Policy and Fraud Mitigation Strategy	Approval of Risk and Fraud Strategies.	Finalisation of Risk Policy and Fraud Mitigation Strategy	Target for Risk Policy Achieved in the 1st Quarter: Target for Fraud Mitigation Strategy achieved in 2nd Quarter		
	Internal Audit Reports issued	6	Completed Internal Audit Reports for tabling in Management Meeting.	12	12	12		

SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS 2012-2013								
DIRECTORATE: DEVELOPMENT PLANNING AND ECONOMIC DEVELOPMENT								
Objective	**Indicator**	**Baseline**	**Portfolio Of Evidence**	**Target 12/13**	**Quarter 4**	**Actual Target Achieved**	**Reason For Deviation**	**Corrective Action**
MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT								
Capacitated and structured to enable efficient, effective and sustainable service delivery	Sign off and submit performance reports quarterly	4	Directorate Institutional Scorecard and Service Delivery Targets and Perfomance Indicators	4	4	4		

To promote access to land for development of sustainable human settlments and other land related projects in the metro	Average time to approve Building Plans.	49 days	Monthy Reports	30 days for complete building plans submitted	30 days	35	applications for the approval of building plans run concurrently with application for departures; subdivisions and consolidations. Applications for Departure, rezoning, subdivision and consoliadation applications are a lengthy process resulting to delays in approval of building plans.	Advise clients to apply for departure, rezoning and consolidation prior submission of building plans.
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT								

To develop a balanced multi-modal safe and integrated transport system that promotes mobility and accessibility	CBD Parking area plan developed.	No plan exists	Parking plan report presented to Top Management as evidenced by Minute.	CBD parking area plan completed	CBD parking plan finalised by BRT consultants - Project on hold due to legal challenge from losing bidder. Await High Court judgement - matter was heard on 21 and 22 June 2012	No progress on the CBD parking plan has been made as it was to be finalised by BRT consultants.	Project on hold due to legal challenge from losing bidder.	Await High Court judgement - matter was heard on 21 and 22 June 2012
To improve living conditions in BCMM Townships	The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	45%	Section 71 reports	80% with a variance of 5% negative	80% of pro-rata budget with a variance of 5% negative	55% spent	BRT Project on hold due to litigation	Awaiting judgement

BASIC SERVICE DELIVERY AND INFRASTRUCTURE								
Centralization of BCMM Facilities Management	Development of a "One-stop-shop" for facilities maintenance of buildings and housing	Fragmented maintenance management of facilities	Minutes of meetings.	Partial integration & resourcing by 10%	Integration of the partial - 4% = 10% total	No Staff integrated, working currently outside a framework and organogram for this function.	The Architectural and Halls Divisions agree that Capital budgets be centralised, but that operational budgets remain decentralized	To be discussed further at Top Management
	No of Buildings Inspected	3000	Building inspection Reports	3200 Municipal Buildings Inspected	800	1109	More minor works inspected	Subject to availability of budget
Centralization of BCMM Facilities Management	No of Buildings Repaired / maintained effected	2803	Building inspection Reports and Statistical analysis	3000 Municipal Building Repairs	750	996	More requests for inspections were received than originally envisaged	

To develop a balanced multi-modal safe and integrated transport system that promotes mobility and accessibility	Approved reviewed Integrated Transport Plan by Council	2008-2013 council approved ITP	Council minute reflecting adoption of reviewed ITP	Approved and adopted reviewed ITP as evidenced by a resolution of the Council	Approved and adopted reviewed ITP as evidenced by a resolution of the Council	The reviewed ITP was submitted to Council via the Developem nt Planning and Managemen t Committee on 10 June 2013.	Delays in receiving feedback from Directorates	
	Completion of Bus Rapid Transport Detailed Planning Phase	Detailed Operational Plan Approved	Planning Documents, approved Business Plan	70% Plans finalised for at least one section of the BRT corridor to allow constructio n to commence	Nil	Nil	Project on hold due to legal challenge from losing bidder. Await High Court judgement - matter was heard on 21 and 22 June 2012	

Provide Integrated and sustainable transport systems by implenting programmes and projects emanating from Integrated Transport Plan (ITP)	Number of ITP projects implemented	Council approved ITP	Payment certificates as certified by consultants and visual evidence	5	Construction and installation	**4 projects completed** - Sidewalk on Stirling completed. Gurdrails in various areas within the BCMM completed. Speed humps within the BCMM completed and procuremen t of traffic controllers and signal heads completed. Ndevana Bridge construction tender at BEC.	Ndevana Bridge: EIA was only approved in March 2013.	Ndevana Bridge: Facilitate bidding process to ensure that construction award is made and commence on site as soon as award is made.
To plan for integrated sustainable human settlements	Number of layout plans completed.	15 approved township establishmen ts	Actual layout plan & motivation report for township establishme nt.	4 completed layout plans ready for approval	4 completed layout plans ready for approval	4 Layout plans for Township Establishme nt completed with Motivation Reports	None	No corrective action within the Directorate is applicable

To plan for integrated sustainable human settlements	Number of approved general plans	2 Majali and Nkqonkqwen i	SG approved General Plans	3 Fynbos I, Fynbos II and Ndancama Phase I	Approval of the general plan by the Surveyor General	Achieved	Fynbos 1, Fynbos 2 and Ndancama cannot be completed due to the existence of shacks on the site	a TRA is required to resettle the beneficiaries
To promote access to land for development of sustainable human settlments and other land related projects in the metro	Number of land parcels released	5 land parcels released	Lease Agreement Deed of Donation / Transfers	2	2 Land made available for re-distribution	Nil	delays experienced in receiving comments from departments and submitting to Council for Approval	Council Resolutions have been received and are in the process of being implemented and Advertisments have been placed in the Daily Dispatch to enable procurement process to unfold.
To develop a balanced multimodal safe and Integrated Transport system that promotes mobility and accessibility	Kms of BRT lanes constructed	Detailed Operational Plan Approved	Payment certificates as certified by consultants and visual evidence	2 km	Nil	Nil		

	Roads construction	Existing congested Main Road	Payment certificates as certified by consultants and visual evidence	Construction of Gonubie Main Road 40% complete	Construction - 40%	15%	Delays in finalising award due to budget constraints - (Adjustment budget was approved by Council in March 2013)	Contractor on site and working to programme
LOCAL ECONOMIC DEVELOPMENT								
To develop and grow BCMM economy focusing on the key growth sectors which include amongst others, Tourism, Agriculture, Manufacturing, Automotive, Construction, and services sectors.	Economic empowerment programmes implemented	13	Project reports, photos, attendance registers, training manuals, brochures and certificates.	15 Training / Capacitation Tourism Agriculture SMME	2 = 15 :(Skills and Sector Development Programmes)Business management and tourism support programmes)	2		

To develop and grow BCMM economy focusing on the key growth sectors which include amongst others, Tourism, Agriculture, Manufacturing, Automotive, Construction, and services sectors	Marketing initiatives undertaken to market the City.	14	Project reports, photos, attendance registers, training manuals, brochures and certificates.	Participation of the Municipality in the event pertaining to - SMME, Trade and Investment, Tourism, Agriculture	7	7		

To develop and grow BCMM economy focusing on the key growth sectors which include amongst others, Tourism, Agriculture, Manufacturing, Automotive, Construction, and services sectors	Economic policies developed and reviewed	2 (Economic Development Strategy and Tourism Master Plan)	Policy Documents	3 (SMME Strategy, Agro - Tourism Strategy, Co-operative Development Strategy, Trade and Investment Strategy,	2 (SMME Strategy, Agro - Tourism Strategy, Co-operative Development Strategy, Trade and Investment Strategy,	2		

To develop and grow BCMM economy focusing on the key growth sectors which include amongst others, Tourism, Agriculture, Manufacturing, Automotive, Construction, and services sectors	Number of economic support programmes implemented	14	Reports, photos, attendance registers, training manuals, brochures and certificates.	3	1	1		

To develop and grow BCMM economy focusing on the key growth sectors which include amongst others, Tourism, Agriculture, Manufacturing, Automotive, Construction, and service	Percentage adherence to the municipality's LED Implementation Plan	60%	Provide a number of projects implemented in the Plan	90%	90%	90%		

To develop and grow BCMM economy focusing on the key growth sectors which include amongst others, Tourism, Agriculture, Manufacturing, Automotive, Construction, and services sectors	No of Building inspections conducted	8544	Monthy Reports	8000	2000	2387	More building plans were submitted.	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION								

To guide and integrate spatial development and growth in BCMM.	Number of completed local spatial development frameworks	10 approved LSDFs	Completed LSDF for submission to Council for approval.	2 completed LSDFs	Development Strategies and final LSDFs completed for submission to Council for approval	Target archived for Homehill Feasibility Study but not for Vicent/Berea LSDF Review	Holm Hil was completed. Vincent Berea LSDF was delayed because the tender expired in the BEC process and despite a request for extension could not be extended.	No corrective action within the Directorate is applicable
To guide and integrate spatial development and growth in BCMM.	BCMM coverage with updated aerial photography	Aerial Photography 2008	Aerial Photography 2013	Production of updated aerial photography	Production of updated aerial photography	70% of the target was achieved.	Bad weather was responsible for the delay in the completion of the project.	The project will be completed in July 2013.

To promote access to land for development of sustainable human settlments and other land related projects in the metro	Number of land parcels acquired	2 land parcels acquired	Approved Budget and Transfer documents.	2	2=- Deed of Sale / Deed of Transfer	nil	delays experienced in receiving comments from departments and submitting to Council for Approval	Council Resolutions have been received and are in the process of being implemented and Advertisments have been placed in the Daily Dispatch to enable procurement process to unfold.

SERVICE DELIVERY TARGETS AND PERFOMANCE INDICATORS 2012/2013								
DIRECTORATE: ENGINEERING SERVICES								
Objective	**Indicator**	**Baseline**	**Porfolio Of Evidence**	**Target 12/13**	**Quarter 4**	**Actual Target Achieved**	**Reason for Deviation**	**Corrective Action**
MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT								
Capacitated and structured to enable efficient, effective and sustainable service delivery	Sign off and submit performance reports	4	Directorate Institutional Scorecard and Service Delivery Targets and Perfomance Indicators	4	4	4		
Effective and efficient utilization of municipal fleet	Milestones towards the installation and implementation of fleet management system	Manual monitoring of vehicles	Commissionin g certificate	Installation of the Fleet Management System	Installation of the Fleet Management System	target not achieved	The tender was cancelled due to the fact that there was no allocation on opereting budget	the approach will be to lease not to purchase
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT								

To ensure that BCMM remains financially viable	Backlog of electricity connections to consumer units	750	Signed connection forms and evidence of the opening of a consumer account within the financial accounting system within the period under review. Completed job cards for new connections.	450	450	958		

To ensure that BCMM remains financially viable	% reduction in unaccounted for water in terms of systems losses.	Existing level of unaccounted for water = 47%	Monthly statistical records of purchases and sales. Water Conservation and Demand Management Report.	Reduction from 47% to 40%	Reduction from 47% to 40%	Installed 44 bulk water meters at standpipes in Duncan Village, C-Section and read them in March and June 2013. Projected annual consumption for these **44** standpipes is **321 268 Kl** based on average monthly consumption of **26 772 Kl** Projected total annual consumption for standpipes in informal settlements is **5 680 602 Kl** based on **778** existing standpipes. 97 meters were installed on ablution blocks throught out the City, were completed in June 2013 and will be read on quaterly basis to account for all the water that is utilized. Water tanker deliveries to villages without water is recorded every	Water Sales figures for April, May and June 2013 are not yet available from Finance Department, therefore the actual water loss calculations cannot be finalised at this stage. Insufficient funding to install water meters in all flat rated areas in order to accurately account for all the water purchased and produced. Projects for relocation of midblocks in Phola Park and Mdantsane were completed in June and savings will be realised in the next three months once new water meters are read and midblocks are completely disconnected. Inconsistent meter reading by the	Department of Finance has promised to provide more funding in line with the Council adopted Water Conservation and Water Demand Manegement Strategy and business plan, which require a minimum funding of R131 million during the mid year budget adjustment. This funding will be provided in phases over a 5 year period, to address some of the following key water loss activities: Categorization of non revenue into various factors, which are not only the responsibility of Water Supply Services. Installation of water meters on flat rated areas and rural areas to account for the free water that is provided to these areas intervention on indigent properties. Install water meters on water tankers for fire fighting, stormwater&sewer jetting and delivery to rural areas. Replacement of old water meters Replacement of ageing infrastructure. Community awareness campaigns

						monthy and the annual consumption is **50 485kl** Total water demand has been reduced by approximately 2% (**i.e 1 162 852 kl**) when compared to the total water demand for the previous year. This is due to water loss interventions that have been implemented mostly in the Inland Region.	Billing Department results in fluctuating sales figures	

	Number of municipal unplanned water interruptions (exceeding 24 hours)	3	Statistical records	4	1 per quarter	One (1) unplanned water interruptions for more than 24 hours have been recorded.	N/A	N/A
	The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	45%	Section 71 reports	80% with a variance of 5% negative	80% of pro-rata budget with a variance of 5% negative	72%		
To ensure that BCMM remains financially viable	Reduction in number of meter tempering	10,000 instances reported per year	Meter tamper register	8000 with a variance of positive 500 - 2000 per quarter	8000 with a variance of positive 2000	11 000		
BASIC SERVICE DELIVERY AND INFRASTRUCTURE								

To improve the quality of life through provision of formal houses	Number of formal households with access to basic electricity 20 Amp Supply	104000 (116512)	Meter Register and statistics of billed consumers from the financial accounting system	300 (1940, this target is made up of the 450 new connection in line 10 above added to the 1500 new RDP connections in line18)	1950	2 431		
	Number of new households (RDP) provided with electricity connections	1200	Signed connection forms and evidence of the opening of a consumer account within the financial accounting system within the period under review.	1500	1500 (with a variance of 400 (Mekeni and haven Hills)	1 473	Target not met due to non completion of houses in Mekeni street and Haven Hills high density	Housing required to speed up delivery in completion of projects

To improve the quality of life through provision of formal houses	Number of informal dwellings provided with the basic service level of electricity	0	300 this target can only be met if a area within Duncan Village can be identified that meets the Electrification cretiria	300 this target can only be met if an area within BCMM priority being Duncan Village can be identified that meets the Electrification criteria	300 this target can only be met if a area within BCMM can be identified that meets the Electrification criteria	0	Due to delays in identifying suitable areas the target has not been met. Construction has commenced on the fist suitable area and will be completed by the end of July 2013	
To ensure a seamless and coordinated provision of municipal services	Number of renewable energy investment projects facilitated by BCMM	2	Evidence of new initiatives facilitated by the Municipality.	2	2 agreements facilitated with BCMM on renewable energy initiatives	2		

To ensure a seamless and coordinated provision of municipal services	Backlog of electricity connections to consumer units	Based on Housing delivery 1500(116512/11801 2) 98.6% have access. If based on informal dwellings backlog on housing is 75000 (116512/191512)60 %	Project completion certificate/ connection forms	118062 (this figure is 1500 the internal RDP projects and an estimated 50 external connections (this external figure is based on connections by contractors that electricity department has no control over.	1950 (118462)	2 431		
To provide an accessible all weather BCMM road network	Kilometers of roads and associated services re-gravelled	50 km	Record of work done, practical completion certificates, Completion Certificates, Payment Certificates	50 kms existing roads gravelled or regravelled	100 kms	137.3 km (47.6 km).	N//A	N//A

	Kilometers of roads surfaced	10 kms	Consultants progress reports, Completion certificates and/or Production Schedules.	20 kms, fleet street under construction, mdantsane roads tender closed.	20 kms, Fleet Street under construction, mdantsane roads tender closed.	34.4km (18.2 km)	N//A	N//A
	Kilometers of existing roads & associated services maintained and rehabilitated	550 kms	Record of work done, practical completion certificates, Completion Certificates, Payment Certificates	600 kms	600 kms	601.3 km (116.5 km)	N//A	N//A
To provide an accessible all weather BCMM road network	Development of the BCMM Roads Masterplan	No Master Plan established.	Master Plan progress report prepared and adopted as evidenced by the minute of Council	Council resolution on 1st Phase Roads Master Plan Report	Provision of 1st Phase DRAFT Report	Reportt at Bid stage, to be awarded end of July 2013	Procurement processes	Will be awarded end of September 2013

	Number of Bridges rehabilitated	1 Bridge (Westbank)	1 bridge rehabilitated as evidenced by contract completion certificate	1 bridge rehabilitated as evidenced by contract completion certificate	One rehabilitated as evidenced by contract completion certificate	One rehabilitated as evidenced by contract completion certificate	N//A	N//A
To ensure that water and sanitation systems are adequately resourced, well maintained and efficiently functioning.	Reduction in the water backlog and increase in the number of consumer units with access to at least a potable water supply	224923 in receipt of services	Completion certificate or Project progress report	226012	226012	226026 (312 Village 1, 166 Sub Village 2, 493 Village 3, 45 Paratyana and 87 Fort Murray)	N/A	N/A

To ensure that water and sanitation systems are adequately resourced, well maintained and efficiently functioning.	Reduction in the sanitation backlog and increase in the number of consumer units with access to at least a basic level of sanitation	142 369 + 3772[11/12 target] = [146 141] as 30 June 2012	Monthly sanitation statistical report, payment cerificates	146 141 + 1850 = [147 991] as 30 June 2013 (1850 complete and 500 under construction)	146 141 + 1850 = [147 991] as 30 June 2013. Providing access for 461 households to at least a basic level of sanitation and 500 under construction	[146 336]	Rural VIP toilet installation has been delayed due to late tender award, problems with material procurement and labour issues.	Contracts have been awarded, and materials sourced. Rural VIP toilets under construction.
	Percentage compliance with drinking water quality standards	95	Laboratory Reports on Water quality (Maintain high quality standard)	95%	95%	100%		
	Number of water services points installed for informal settlements dwellers within a 200m radius	778	Completion certificate/Water layout plan	30	30	97	N/A	N/A

To ensure that water and sanitation systems are adequately resourced, well maintained and efficiently functioning.	Number of new households (RDP) provided with water connections	1500	Signed connection forms and evidence of the opening of a consumer account within the financial accounting system. Proje ct completion certificate.	1105 (actual number of connections is dependent on housing delivery and INEP funding)	1105 This is totally dependent on housing delivery. Water to connect as the houses are completed	1543 (441 Manyano/Thembelihl e, 134 Reeston Phase 3, 877 Potsdam Unit P, 91 Sweetwaters)	Contract for Thembelihle/Manya no and Reeston Phase 3 were terminated due to Contractor's poor performance.	Annual contractors have been engaged to complete the projects
	Backlog in the number of consumer units with access to a free basic level of potable water	4695	Completion certificate and Project progress report.	1 089	769	1103 (312 Village 1, 166 Sub Village 2, 493 Village 3, 45 Paratyana and 87 Fort Murray)	N/A	N/A

To ensure that water and sanitation systems are adequately resourced, well maintained and efficiently functioning	Percentage compliance with effluent quality standards	79%	Laboratory Records (Improve current levels)	80.5%	80.5%	85%	Operation and Maintenance Programme for waste water treatment works and network	Green Drop System being implemented.
	Number of formal domestic customers receiving sewerage services	120 345	BCMM Monthly Sanitation Statistical Report	120 385	121 736	121 734	Supply on demand from customers	Connections supplied on demand.
To ensure that water and sanitation systems are adequately resourced, well maintained and efficiently functioning.	Number of sanitation service points (toilets) installed for informal settlement dwellers	255	Statistical Report	150	150	346	N/A	N/A
To ensure that water and sanitation systems are adequately resourced,	Number of new households (RDP) provided with sewer connections	23576	BCMM Monthly Sanitation Statistical Report	1 850	1 850	77	The housing development is been very due to slow progress	The housing development

well maintained and efficiently functioning.	Backlog in the provision of basic sanitation services (above RDP standards)	46 020	BCMM Monthly Sanitation Statistical Report	43 980	43 980	45 825	Rural Tenders awarded - construction begun late in financial year. Urban connections less than predicted.	Rural VIP toilets under construction.
Provision of effective mechanical workshop services	Average downtime of the mechanical workshop.	Average annual down time is 40%.	Statistical data of vehicles and plant time spent in workshops as a percentage of available working hours.	Average annual down time is 30%.	Average annual down time is 30% or less	target achieved at 30 % with challenges stipulated in the next blocks.	The avarage downtime over a twelve months period is 30%. However due to depleted votes we have experienced challenges. As well as a ratio of mechanics vs vehicles, aging and high mileage vehicles. Insufficient capital budget to replace vehicles.	we will embark on preventative maintenance in the new financial year and employ more mechanics in the new micro structure and request funding for purchasing new vehicles.
LOCAL ECONOMIC DEVELOPMENT								

To develop and grow BCMM economy focusing on the key growth sectors which incluse amongst others: Tourism, Agriculture, Manufacturing, Automotive, Construction and service sectors.	Amount of investment to local labour employement	unknown	Evidence of new projects labour employment figures facilitated by the Municipality capital projects.	R10 million	R10 million	R 17 273 700 (R 2 951 700)	Irregularities in Management Information System (MIS) to load data resulting in delays. Under reporting by other departments and directorates.	NDPW to upgrade the MIS. Selection of EPWP sub champions in each contributing department and directorates and selection of political sub champion/s as required by EPWP Regional steering committee.
GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
To ensure a seamless and coordinated provision of municipal services	Number of service delivery systems interfaced	0	0	1 (BOP for roads and Stormwater and Solid Waste Collection	1 (BOP for roads and Stormwater and Solid Waste Collection		NO INFO RECEIVED FROM THE DEPARTMENTS	

To ensure a seamless and coordinated provision of municipal services	Retain four(4) Blue Drop Status for Umzonyana,Laing,Nahoon and KWT Water treatment works and decomission and consolidate one(1) borehole water supply system (Winterstrand) into Umzonyana Water Supply System.	2 -existing Blue Drop treatment works. The Blue Drop Status of Umzonyana WTW and KWT Water Treatment Works has been retained and two Blue Drop Status for Nahoon and Laing Water Treatment Works have been received.	Certification by Evaluating authority.	Retain 4 Blue Drop Status and decommission one borehole scheme.	Retained 4 Blue Drop Status and decommissioned one borehole scheme (i.e Winterstarnd Borehole System).	Decommissioning of Borehole scheme in Winterstrand completed. Department of Water Affairs has changed the Blue Drop Annual Assessment to a Biannual Assessment, which will be due in December 2013.	N/A	N/A

To ensure that water and sanitation systems are adequately resourced, well maintained and efficiently functioning.	Increase number of waste water treatment works which comply with green drop certification	2 greendrop status	Certification by Evaluating authority.	3 Assessments undertaken	3 Assessment undertaken by DWA	Assessment results not yet announced by DWA (Mid October)	N/A	N/A

SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS 2012-2013								
DIRECTORATE: EXECUTIVE SUPPORT SERVICES - 4th quarter								
Objective	**Indicator**	**Baseline**	**Portfolio Of Evidence**	**Target 12/13**	**Quarter 4**	**Actual Target Achieved**	**Reason for Deviation**	**Corrective Active**
MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT								
Capacitated and structured to enable efficient, effective and sustainable service delivery	Sign off and submit performance reports and POE quarterly	4 performance reports annyually	Directorate Institutional Scorecard and Service Delivery Targets and Perfomance Indicators	4	4	4	N/A	N/A
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT								

To improve living conditions in BCMM	The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	45%	Section 71 reports	80% with a variance of 5% negative	80% of capital budget	13%	Delays in the delivery of Council Furniture where 45% is sitting.	Given the service provider final notice, expenditure for the Councillor's furniture will still be reflected in the 2012/13 FY.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE								

Establish an enabling environment for vulnerable groups to benefit from BCMM soci-economic agenda	Programmes implemented which are responsive to / in line with taking cognizance of the MDG Mainstreaming Framework in response to MDG Mainstreaming Framework.	7 programmes	1. BCMM Bursary Award Certificates; Establishment of Gender, Older Persons and Youth Forums Reports and attendance registers; Days of Importance celebration reports; Youth Advisory Centres operations reports; Women Caucus operation plan & reports	5 proggrammes [BCMM Bursary Fund; Establishment of Gender, Older Persons and Youth Forums; Days of Importance; Youth Advisory Centres; Women Caucus].	*YAC's career guidance; Youth Centre Entrepreneurs *Initiatives / platforms for championing vulnerable groups i.e. Forums and Days of Importance	Established Gender and Older Persons Forums were inducted; YAC's career guidance undertaken.	The corrective action for the 3rd Quarter for the WBAC within the 6 wards was planned for completion in the last quarter however only 5 wards have been piloted.	Seeking assistance from the Speaker for cooperation from the councillor from ward 28
Enhance development and Improve Institutional Capacity through International Partnerships	No of Partnerships established	7	Partnership Agreements	2	Partneships fully operational	Partnerships operation with City of Oldenburg	N/A	N/A

Enhance development and Improve Institutional Capacity through International Partnerships	Programmes supported through existing partnerships	12 Existing Programmes as follows - Good Governance housing, Sludge management, Youth at Risk, Keys for Kids,Upgrading of Aspiranza Clinic, Safe Park, Lighting project, Hydroponics, Electricity,Floodplain,Solid Waste, Sanitation.	12 Existing Programmes as follows - Good Governance housing, Sludge management, Youth at Risk, Keys for Kids,Upgrading of Aspiranza Clinic, Safe Park, Lighting project, Hydroponics, Electricity,Floodplain,Solid Waste, Sanitation.	14 (2 new programmes)	2 new project/programme approved 14 (2 new programmes)	2 new projects achieved.	N/A	N/A
GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
Enhance integrated planning through Intergovernmental Relations	Number of IGR programmes implemented with sector departments and parastatals	4 existing programmes - Home Affairs, Education, Human Settlements; Local Government & Trad Affairs	Commitment reports from the departments	3	3 (DEDEA, Ruliv Dev, Public Works)	Achieved	N/A	N/A

Optimise participation of communities in municipal decision making processes.	Number of public participation activities implemented	5	Public Consultation process of each meeting	7	7	7	N/A	N/A
Optimise participation of communities in municipal decision making processes.	Ward Committee meetings convened every 2 months (1 meeting every 2 months)	6 Ward Committee meetings per ward annually	Ward committee minutes and attendance registers.	6 Ward Committee meetings per ward	6 (per ward)	33 Ward committee meetings out 100 were held.	Deviated from 100 Ward Committee meetings to 33, the focus was more on the party politics than civil politics. Council Recess also had an impact, no meetings were held during the recess.	The Speaker will ensure that Ward Councillors adhere to their schedule of Ward Committee Meetings as per agreement.

Optimise participation of communities in municipal decision making processes.	Number of Ward Public Meetings	4 Ward Public meetings per ward.	Ward Genral Meeting minutes and Attendance Registers	4 Ward Public meetings per ward	4 (per ward)	9 public meetings out 50 were held.	Deviated from 50 meetings to 9, the focus was more on the focus was more on the party politics than civil politics.	Council resolution of the 12 December 2012 states that Ward Public meetings should be included in the Institutional Calendar and be monitored by the office of the Speaker.
Improve communication with BCMM communities & beyond	Number of shared community activities implemented	4	Comms Plans; Newsletter; Media release; and reports of meetings	12	12(IDP roadshows, Council Open Day, State of the Metro Address)	14	N/A	N/A

Improve communication with BCMM communities & beyond	2012 Aerial Photography on the intranet	2008 Aerial photography in intranet	Project status report	50% server upgrade	50 % of server space upgraded	50%, server space upgraded and correction for the ESRI GRID files to be done by 17/07/2013	N/A	N/A

SERVICE DELIVERY TARGETS AND PERFOMANCE INDICATORS 2012/2013								
DIRECTORATE: FINANCE AND BUDGET TREASURY								
Objective	**Indicator**	**Baseline**	**Portfolio of Evidence**	**Target 12/13**	**Quarter 4**	**Actual Target Achieved**	**Reason for Deviation**	**Corrective Action**
MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT								
To ensure that BCMM remains financially viable	Collection rate as measured in accordance with the MSA Performance Regulations.	91%	Section 71 reports	92.50%	92.5%	92.96%	N/A	N/A
	Number of debtors with Service Level Agreements	No baseline determined as new project.	Consultants variance reports and copy of rectification records per entry.	50 000 SLA's	12500 =50000	11 158	The project commenced late than planned. The challenges experienced with Rate Payers Association also played a huge role in stalling the project.	The project is in progress having experienced the challenges
To ensure that BCMM remains financially viable	Number of accounts syncronised between billing system and the electricity pre-paid system and	17 000	Financial system exception report generated	100 000	25000 =100000	100 000	N/A	N/A

	water management system							
	Reduction in the billing debt book	R820m (estimate as at June 2012)	Section 71 reports	5% with a varience as per quarters 5% (41 million)	2 to 5% R41 000 000	R92,826,532	N/A	N/A
	Debt coverage ratio =net operating revenue/debt redemption+interest for the year	23,32 times debt repayments	Working paper for calculation	> 20 times debt repayments	> 20 times debt repayments	28.27 times	Target achieved	Corrective action not required
	Outstanding service debtors =total debtors/annual revenue from services	20,42%	Working paper for calculation	< 32%	< 29.29%	20.54%	Target achieved	Corrective action not required
	Cost coverage=available cash +investments/fixed operating expenditure (e.g.salaries,etc)	4,6 times fixed opex	> 3 times fixed opex	> 3 times fixed opex	> 3 times fixed opex	3.04 times	Target achieved	Corrective action not required

	Current ratio=current assets/current liabilities	1.5:1	Ratio Analysis and Section 71 reports	1.55:1	Greater than 1.55:1	2.07:1	Target achieved	Corrective action not required
	Debt to revenue ratio = net operating revenue/debt redemption+ interest for the year	23,9%	Section 71 reports	<35%	Ratio maintained at less than 35%.	19.60%	Target achieved	Corrective action not required
BASIC SERVICE DELIVERY AND INFRASTRUCTURE								
To ensure a seamless and coordinated provision of municipal services	Number of newly registered households earning less than R2400 per month with access to free basic services	54240	Newly registered indigents 2012/13	5 760	5 760	7149	Target achieved	Corrective action not required
To ensure that BCMM remains financially viable	The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development	64%	Section 71 reports	**80% approved capital budget**	80%	88%	Target achieved	

	plan							
LOCAL ECONOMIC DEVELOPMENT								
To ensure that BCMM remains financiall y viable	Progress made with implementatio n of Valuation	152 000 rated propertie s	Approved budget	Perform General Valuatio n	Data Collection and verification and revised homogenous areas for valuation	Nil - due to litigation	High Court judgement - Interdicted processes	Speedy conclusion of court processes
To ensure effective, efficient & transpare nt Supply Chain Managem ent Systems	Percentage of creditors paid on time	100% of top 20 creditors are paid within 30 days	Calculation schedules and Section 71 Reports	90%, (10% variance due to disputes and queries)	90%	92%	N/A	No remedial action required

GOOD GOVERNANCE AND PUBLIC PARTICIPATION								
Compliance with financial reporting in terms of legislated reporting requirements	Credible Fixed Asset Register in terms of GRAP 17 - compliance	Non-credible asset register as at 2011	Progress of Capital Vote Reconciliations used to update the Fixed Asset Register	Credible Fixed Asset Register	Progress of Capital Vote Reconciliations used to update the Fixed Asset Register	Capital Vote Reconciliations received from Directorates in respect of May 2013 = 132. Capital Vote Reconciliations still outstanding = 31.	N/A	No remedial action required

SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS 2012-2013								
DIRECTORATE: HEALTH AND PUBLIC SAFETY								
Objective	**Indicator**	**Baseline**	**Portfolio of Evidence**	**Target 12/13**	**Quarter 4**	**Actual Target Achieved**	**Reason for Deviation**	**Corrective Action**
MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT								
To ensure a safe and secure environment within BCMM	Progress towards the establishment of Metro Police	Law Enforcement	Council Resolution and Application submitted to MEC	Approved registered fully fledged Metro Police establieshment	Approved Metro Police Establishment	Meeting between BCMM Officials and MEC office and officials took place on the 25 Feb 2013 at the MEC office to iron out outstanding issues. Agreement was reached at the meeting. Imatu also submitted their final approval for the establishment of Metro Police.	Awaiting approval from MEC.	Acting Director & Commander LE to conduct follow up meetings and consultation with MEC to query why the approval has not been finalised as all parties were in agreement at the last meeting.

Capacitated and Structured to enable efficient, effective and sustainable service delivery	Sign-off and submit performance reports	4	Directorate Institutional Scorecard and SDBIP/ Service Delivery Targets and Performance Indicators	4	4	4	N/A	N/A
MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT								
To ensure that BCMM remains financially viable	No of traffic notices paid	11/12 Financial year statistics: 10 022	Traffic Contravention System	15 400	15 400	**24369** (3505 1st Qtr, 5946 2nd Qtr, 6419 3rd Qtr, 8499 4th Qtr)	N/A	N/A

To improve living conditions in BCMM	The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	45%	Section 71 reports	80% with a variance of 5% negative	80% of pro-rata budget with a variance of 5% negative	35%	Majority of capital projects expenditure are dependent on other Directorates for implementation. Problems were experienced with the construction of the KWT Fire Station which is being implemented & project managed by PMU. Problems also encountered slow and problematic internal processes which impeded the progress of certain projects	Directorate to ensure timeous submission of reports to Bid Committees. Internal processes to be implemented to ensure compliance and regular interaction and meetings with PMU dept to monitor progress and address problems.
BASIC SERVICE DELIVERY AND INFRASTRUCTURE								
Provide effective and efficient Municipal Health Services to all BCMM communities	Progress towards the development of Municipal Health Services Plan	Report on current Municipal Health services provided.	Municipal Health Service Plan report.	Council approved Municipal Health Services Plan.	A Council approved Municipal Health Service Plan.	Council Approved Municipal Health Services plan dated the 29 May 2013, BCMC 223/13	N/A	N/A

To ensure a safe and secure environment within BCMM	Number of measures implemented to reduce crime incidents in the metro	60 road blocks	Monthly reports, Operational Plans, Duty Rosters	80	80	**241** (This is a total of 153 from 2nd quarter plus 29 for the 3rd quarter, 59 for 4th Qtr)	N/A	N/A
	Progress towards the development of a Crime Prevention Strategy	Existing Law Enforcement By-Laws	Crime Prevention Strategy Report	Council approved Crime Prevention Strategy Report	Council approved Crime Prevention Strategy	Council approved Crime Prevention Strategy dated the 29 May 2013, BCMC 227/13	N/A	N/A
To ensure a safe and secure environment within BCMM	Installation of CCTV System on the Beach Front	1 CCTV System in operation at Mdantsane Highway Taxi Rank	Letter of appointment & Completion Certificate	CCTV System installed & operational on the Beach Front	Specifications approved & tender advertised for installation of system	Specifications approved & tender advertised for installation of system	N/A	N/A

	Number of measures implemented to improve road safety	60 Special programmes	Monthly reports, Operational Plans,RTMC reports	60	60	**354** (This is a total of 103 from 2nd quarter plus 119 3rd quarter, 132 for 4th Qtr)	N/A	N/A
To ensure a safe and secure environment within BCMM	Progress towards the reviewof the Traffic Safety Plan	Existing Traffic Safety Plan	Reviewed Traffic Safety Plan	Council approved Reviewed Traffic Safety Plan	Council approved Reviewed Traffic Safety Plan	The project has been completed and the contractor paid for. Council approval still outstanding. To be tabled before Council during July 2013	During previous Council meeting is was requested that KWT area be included in the Traffic Safety Plan	Presentation was prepared by contractor and report submitted to Council for the 31 July 2013.
	No of Traffic notices issued	11/12 Financial year statistics: 77 499	NATIS System	77 000	77 000	**115 142** (1st Qtr 20005, 2nd Qtr 40014, 3rd Qtr 31117, 24 006 for 4th Qtr)	N/A	N/A

	Renovate & Upgrade the KWT Traffic Centre	1	Conditional Assessment Report & Letter of appointment of Structural Engineer	Completion of conditional assessment - NHC & appointment of Structural Engineers	Appointment of Structural Engineer	Assessment of existing buildling completed. Proposed that new building be constructed. Arch Dept currently preparing specs for procurement of consultants	N/A	N/A
	Construction of Mdantsane Learners Testing Centre	3	Specifications & Tender Advert	Specifications submitted to BSC & advert calling for tenders	Tender advertised & awarded	Tender advertised on 03/05/13. Tender to be concluded, BAC approval on submission of BBBEE certificate	Outstanding BBBEE certificate	BBBEE certificate to be submitted

To provide an efficent and responsive Fire & Rescure to all BCMM communities	Fire & Rescue facilities constructed.	7 existing fire stations	Consultants certification of hand over of station and initial allocation of equipment and manpower.	1 (Complete KWT) (Start Chalumna process)	Completion of planning phase for additional Fire Stations and Completion of KWT Fire Station	Construction in progress in KWT Fire Station and work completed is at 90%. Waiting for a letter of award from BAC. Consultation with Land Administration for Chalumna Fire Station.	Deviation delays on submission of a report on full scope of the project.	Submit report to the BAC
LOCAL ECONOMIC DEVELOPMENT								

To create an environment for an economy that is growing, diversifying, generating increasing number of sustainable employment opportunities and contributing to increased incomes and equality	Number of accomodation establishments inspected to ensure compliance to Health and Safety Regulations	11/12 Financial Year Statistics 135	Documented Database	151	151	221	N/A	N/A
GOOD GOVERNANCE AND PUBLIC PARTICIPATION								

To build a safe and resilient city through Disaster Management	Council Approval of the Disaster Risk Management Policy Framework Implementation & Budget Plan	Final Disaster Risk Management Policy Framework Implementation & Budget Plan	Council Minute	Council resolution on adoption of the Reviewed Policy	Implementation of Council approved Disaster Risk Management Policy Framework Implementation & Budget Plan	Submitted to Standing Committee on 17 July 2012 and Mayoral on 2 October 2012.	Deferred by Mayoral Committee for further Councillor consultation.	Councillor participation was supposed to take place at the Mayoral Lekgotla held on the 28 Feb to 2 March 2013 at Mpekweni but due to time constaints the discussion never took place and the item was deferred to the next proposed Mayoral Lekgotla which was never held.

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

INTRODUCTION

The Organizational Development Section is a key transformation agent dealing with the structure of the Municipality to ensure that it remains aligned to its strategy, job evaluation process and change management philosophy. Organisational Development is placed as a separate section in the Human Resources Department.

T 4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	Year -1: NB According	2012/2013			
	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %
Water		399	345	54	
Waste Water (Sanitation)		443	394	49	
Electricity		328	269	59	
Solid Waste Management Services		681	622	59	
Housing		34	32	2	
Roads		253	221	32	
Transport		67	55	12	
Local Economic Development		9	7	2	
Arts and culture		234	213	21	
Enviromental Services		431	396	35	
Health		32	32	0	
Public Safety		355	334	21	
Amenities		311	282	29	
HR AND ICT		99	88	11	
Totals		**3,676**	**3,290**	**386**	**0**

Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June, as per the approved organogram. *T 4.1.1*

Vacancy Rate: Year 2012-2013			
Designations	***Total Approved Posts** **No.**	***Vacancies (Total time that vacancies exist using fulltime equivalents) No.**	***Vacancies (as a proportion of total posts in each category) %**
Municipal Manager	1	0	0.00
CFO	1	0	0.00
Other S57 Managers (excluding Finance Posts)	8	3	37.50
Other S57 Managers (Finance posts)	1	0	0.00
Police officers	67	8	11.94
Fire fighters	94	3	3.19
Senior management: Levels 13-15 (excluding Finance Posts)	89	16	17.98
Senior management: Levels 13-15 (Finance posts)	7	1	14.29
Highly skilled supervision: levels 9-12 (excluding Finance posts)	462	67	14.50
Highly skilled supervision: levels 9-12 (Finance posts)	41	7	17.07
Total	**771**	**105**	13.62

*Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.* *T 4.1.2*

Turn-over Rate			
Details	**Total Appointments as of beginning of Financial Year No.**	**Terminations during the Financial Year No.**	**Turn-over Rate***
2010/2011	4595	235	5%
2011/2012	4412	270	6%
2012/2013	4374	291	6.65%

T 4.1.3

COMMENT ON VACANCIES AND TURNOVER:

BCMM is currently undergoing an organisational restructuring exercise so as to align its function and structure with its role as a metropolitan municipality. As a result, several Senior Manager posts remain vacant. However, the critical posts of the City Manager and Chief Financial Officer (CFO) have been filled, with effect from 01 March 2012 and 01 March 2013 respectively. The following Section 56 posts are filled by fixed-term employees, with contracts

which are due to review in February 2014: Director of Planning and Economic Development; Director of Engineering Services; and Director of Community Services.

All other Section 56 posts are vacant and have acting appointees as set out below:

Director of Corporate Services: Vacant since 01 August 2012.

Chief Operating Officer: Vacant since 01 December 2012.

Director of Health and Public Safety: Vacant since 01 May 2013.

Director of Executive Support Services: Vacant since 01 April 2012

The above posts could not be filled as the restructuring has not been completed. However, Council has adopted its new macro-structure, which will come into effect from May 2013. All the vacant Senior Manager posts are due to be advertised in mid-August 2013.

In order to attract and retain professionals with scare skills, BCMM has implemented a talent management strategy, which contains the following broad initiatives:

Prioritisation of bursaries for scarce skills categories, both internally and externally.

Payment of professional registration fees for scarce skills categories.

Prioritisation of functional development for scarce skills categories.

Payment of a scarce skills allowance.

T 4.1.4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Note: MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.

Workforce management is a core function of each line manager in BCMM. In order to ensure reasonable standardisation and consistency in the handling of the workforce, staff policies; procedures; and conditions of service are developed at a central level and are then implemented by line management.

Chapter 4

Conditions of service of senior managers are based up on the regulations promulgated by the Minister of Cooperative Governance and approved by Council.

Conditions of service of staff below senior management level are negotiated at a central level by the National and Provincial divisions of the South African Local Government Bargaining Council (SALGBC) and, where relevant, at a local level between management and the representative unions SAMWU and IMATU.

In addition to the above, a wide range of policies, procedures and directives are approved by relevant approval authorities after due consultation with stakeholders such as Council, the City Manager and Senior Management. Such policies, procedures and directives are then circulated to all staff for implementation and compliance.

Policies, procedures and directives are revised as the need arises.

T 4.2.0

4.2 POLICIES

HR Policies and Plans			
	Name of Policy	**Completed %**	**Reviewed %**
1	Affirmative Action	100.00	In review process
2	Attraction and Retention	100.00	In review process
3	Code of Conduct for employees	100.00	In review process
4	Delegations, Authorisation & Responsibility	100.00	In review process
5	Disciplinary Code and Procedures	100.00	In review process
6	Essential Services	0.00	In review process
7	Employee Assistance / Wellness	100.00	In review process
8	Employment Equity	100.00	In review process
9	Exit Management	100.00	In review process
10	Grievance Procedures	100.00	In review process
11	HIV/Aids	100.00	In review process
12	Human Resource and Development	80.00	In review process
13	Information Technology	100.00	In review process
14	Job Evaluation	100.00	In review process
15	Leave	100.00	In review process
16	Occupational Health and Safety	100.00	In review process
17	Official Housing	100.00	In review process
18	Travelling and Subsistence Allowance	100.00	In review process
19	Official transport to attend Funerals	100.00	In review process
20	Official Working Hours and Overtime	100.00	In review process
21	Organisational Rights	100.00	In review process
22	Payroll Deductions	100.00	In review process
23	Performance Management & Development	100.00	In review process

HR Policies and Plans			
	Name of Policy	**Completed %**	**Reviewed %**
24	Recruitment, Selection and Appointments	100.00	In review process
25	Remuneration Scales and Allowances	100.00	In review process
26	Resettlement	0.00	In review process
27	Sexual Harassment	100.00	In review process
28	Skills Development	100.00	In review process
29	Smoking	100.00	In review process
30	Scarce Skills	100.00	In review process
31	Work Organisation	100.00	In review process
32	Uniforms and Protective Clothing	100.00	In review process
33	Other:	0.00	

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

BCMM has a well-developed staff policy framework. The finalisation of the Human Resource Development Policy will close a major gap which currently exists in the organisation. This policy has been drafted and is under consultation with the stakeholders.

In addition, BCMM has not managed to finalise a minimum service (essential services) agreement due to non-agreement between the parties. BCMM thus applies the relevant legislation in this regard.

On a broad level, BCMM is undergoing a process of reviewing all policies to ensure that they are relevant and aligned to BCMM's status as a metro.

T 4.2.1.1

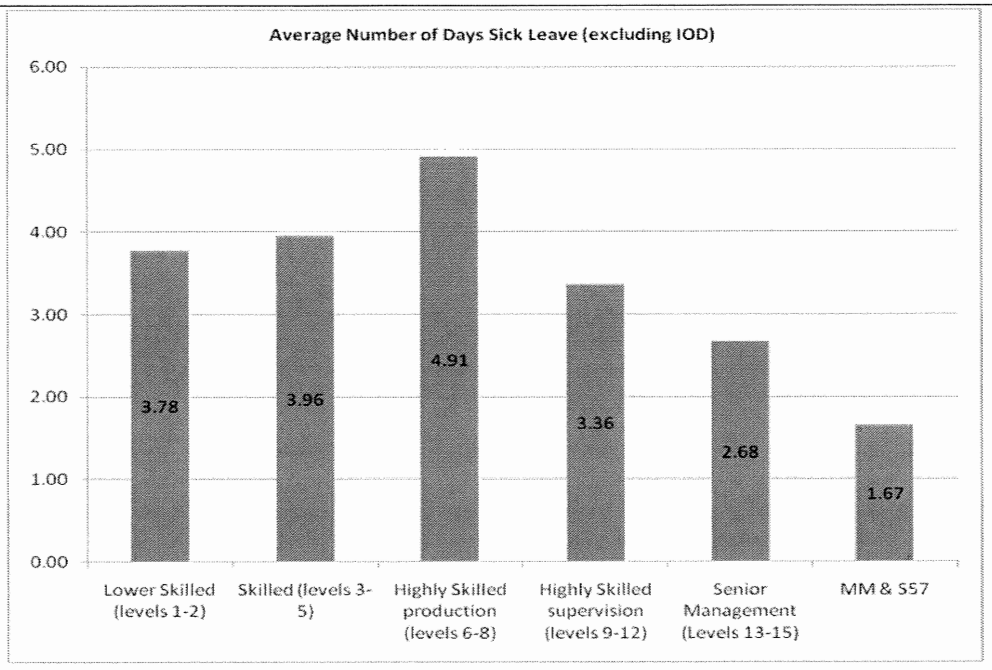
4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost R'000
Required basic medical attention only = 68	0	0	0%	0	included below
Temporary total disablement	1033	168	380%	6	1571667
Permanent disablement	0	0		0	
Fatal	0	0		0	
Total	1033	168	16%	207	1571667
					T 4.3.1

During the year under review, there were no permanent disablements or fatalities.

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave Days	Proportion of sick leave without medical certification %[1]	Employees using sick leave No.	Total employees in post* No.	*Average sick leave per Employees Days	Estimated cost R' 000
Lower skilled (Levels 1-2)	2478	38%	458	656	3.78	1933035
Skilled (Levels 3-5)	8075	40%	1499	2041	3.96	6755744
Highly skilled production (levels 6-8)	6523	46%	992	1328	4.91	7029537
Highly skilled supervision (levels 9-12)	2351	44%	496	699	3.36	5397759
Senior management (Levels 13-15)	423	53%	97	158	2.68	2072291
MM and S57	25	22%	7	15	1.67	153763
Total	**19875**	**243%**	**3549**	**4897**	**4.06**	**23342129**
						T 4.3.2

[1] This column is not 100% accurate as it only includes the posts which have been assessed. However, all the other data in this table includes all employees



T 4.3.3

COMMENT ON INJURY AND SICK LEAVE:

BCMM has an approved Employee Relations Policy which contains, *inter alia*, an absenteeism policy aimed at controlling and reducing sick leave. This policy permits line managers to do home visits to sick staff, get second opinions from municipal doctors and manage incapacity and absenteeism.

One of the key strategies approved by Council is the implementation of an electronic attendance control (biometric) system. This system will be implemented in a phased manner, commencing in the 2013/14 financial year.

In order to better manage absenteeism in the workplace, BCMM has initiated an absenteeism reduction project in cooperation with relevant stakeholders, such as the unions. This will result in further strategies being developed and implemented to curb absenteeism.

Injuries on duty have also proven to be a challenge: BCMM has an injury rate which is slightly above the norm. As a result, a safety plan has been implemented and its impact is being monitored. Further steps to increase safety across the organisation are required to be taken via the monthly safety committee which meets under the chairmanship of Corporate Services.

T 4.3.4

Number and Period of Suspensions				
Position	**Nature of Alleged Misconduct**	**Date of Suspension**	**Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised**	**Date Finalised**
GM Assets and Risk	Gross Misconduct and negligent	25-May-11	Final Warning	17-Aug-12
PM: Mechanical	Gross Viloation of SCM Policy	7-Jun-11	Dismissed	11-Jul-13
GM Electrical and Mechanical	Gross Viloation of SCM Policy	22-Jul-11	Employee resigned from Mun	30-Sep-12
Senior Buyer	Gross Insubordination	7-Jun-11	Not Guilty	4-Jul-12
Accountant	Theft/missapropriation of funds	28-Oct-11	dismissed	20-Dec-12
Supervisor Counter services	Theft/missapropriation of funds	28-Oct-11	dismissed	10-Dec-12
Supervisor Counter services	Theft/missapropriation of funds	28-Oct-11	dismissed	3-Dec-12
PM Housing	Fraud,Corruptionand Gross Dishonesty	31-Oct-11	Pending	N/A
Informal tender Coordinator	Fraud,Corruptionand Gross Dishonesty	8-Nov-11	dismissed	28-Aug-12
Handy Man, Electricity	Theft of Copper	27-Jan-12	Not Guilty	18-Jul-13
Handy Man, Electricity	Theft of Copper	27-Jan-12	Not Guilty	18-Jul-13
General Worker Electricity	Theft of Copper	27-Jan-12	Not Guilty	18-Jul-13
General Worker Electricity	Theft of Copper	27-Jan-12	Not Guilty	18-Jul-13
General Worker Electricity	Theft of Copper	27-Jan-12	Not Guilty	18-Jul-13
Superintended Building	Unauthorised Use of vehicle and Dishones	26-Apr-12	Pending	N/A
Contracts Coordinator	Gross Insubordination	26-May-12	Pending	N/A
Senior Accountants finance	Gross Dishonest and breach of staff policy	4-Jun-12	Pending	N/A
Beneficiary Officer	Fraud,Corruptionand Gross Dishonesty	31-Jul-12	dismissed	1-Oct-12
Stores Assistant	Theft of Diesel	27-Sep-12	Pending	N/A
Sewer Worker	Theft of Diesel	14-Sep-12	Case dismissed	14-Mar-13
Bulk Technician	Consumption of Alcohol on duty	24-Oct-12	Dimissed	17-Jul-13
Occasional Cashier	Theft and Gross Negligent	18-Oct-12	Written warning	16-Nov-12
Artisan Assistant	Theft of Copper	12-Dec-12	Dismissed	18-Feb-13
Bus driver	Misapropriation of Funds	4-Feb-13	Dismissed	29-May-13
Bus driver	Misapropriation of Funds	4-Feb-13	Pending	N/A
PM: LED	Gross Dishonesty and fraud	19-Feb-13	Dsimissed	25-Apr-13
Supervisor Sanitation	Driving Municipal Vehicle under Influence (	5-Mar-13	Finalised	30-May-13
Supervisor Sanitation	Theft of Diesel	15-Mar-12	Finalised	6-May-13
Equipment Operator	Dishonesty		Dismissed	28-Sep-12
Handyman Environmental Dept	Theft of Municipal property		Dismissed	2-Oct-12
General Worker (Roads)	Theft of Municpal Property	12-Apr-13	Pending	N/A
Senior Clerk: Licensing	Misappropriation of municipal funds	20-May-13	Finalised	5-Jul-13
Animal /Business Inpector	Misappropriation of municipal funds	20-May-13	Pending	N/A
Bus Driver	Misappropriation of municipal funds	6-Jun-13	Pending	N/A
Workshop Storeman	Theft of Copper Cable	20-Jun-13	Pending	N/A
General Woker: Sanitation	Theft of Diesel	5-Jun-13	Pending	N/A
				T 4.3.5

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	**Nature of Alleged Misconduct and Rand value of any loss to the municipality**	**Disciplinary action taken**	**Date Finalised**
Accountant	R 57,613.89	Dismissed	20-Dec-12
Supervisor Counter services	R 18,060.00	Dismissed	10-Dec-12
Supervisor Counter services	R 10,676.85	Dismissed	3-Dec-12
Handy Man, Electricity	R 5,250.00	Not Guilty	18-Jul-13
Handy Man, Electricity	R 5,250.00	Not Guilty	18-Jul-13
General Worker Electricity	R 5,250.00	Not Guilty	18-Jul-13
General Worker Electricity	R 5,250.00	Not Guilty	18-Jul-13
General Worker Electricity	R 5,250.00	Not Guilty	18-Jul-13
Stores Assistant	R 1,725.00	Pending	N/A
Sewer Worker	R 1,725.00	Case dismissed	14-Mar-13
Bulk Technician	R 17,182.65	Dismissed	17-Jul-13
Occasional Cashier	R 1,000.00	Finalised	16-Nov-12
Artisan Assistant	Not quantified (SAP 13)	Dismissed	18-Feb-13
Bus driver	R 14 741.80	Pending	N/A
Bus driver	R 7 108.25	Dismissed	29-May-13
Equipment Operator	R 3,863.62	Dismissed	28-Sep-12
Handyman Environmental dept	R 24,977.13	Dismissed	2-Oct-12
Supervisor Sanitation	R 1,564.00	Not Guilty	2-Oct-12
Senior Clerk: Licensing	R 4,732.00	Not Guilty	5-Jul-13
Animal /Business Inpector	R 7,684.00	Pending	N/A
Bus Driver	R 9,600.00	Pending	N/A
Workshop Storeman	R 30,736.00	Pending	N/A
General Woker: Sanitation	Not quantified	Pending	N/A
			T 4.3.6

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT

T 4.3.7

BCMM has set strict standards for disciplinary action to be taken in all cases of serious misconduct. Where such serious misconduct is identified, accused staff members are suspended on a precautionary basis.

However, BCMM faces challenges in effecting speedy resolution of such cases. As a result, extended suspensions periods – beyond the 3 month limit which has been set – are experienced. The reasons for the challenges are summarised as follows:

In certain instances, the time-limits set in the disciplinary code are unreasonable.

The disciplinary code contains complex procedures and stipulations, which unnecessarily complicate and delay disciplinary actions.

In many cases continuous delays are caused by the affected parties' non-availability, slow response to requests for disclosure of information and doctors certificates not being presented when required.

There is also a general non- adherence by parties to the established time limits.

Notwithstanding the above, steps have been taken to address these challenges:

The disciplinary code is being negotiated at the South African Bargaining Council (SABC) level; and

An employee relations improvement project is to be implemented in the 2013/2014 financial year to support Labour Relations capacity and address the challenges.

T 4.3.7

4.4 PERFORMANCE REWARDS

Performance Rewards By Gender					
Designations	**Beneficiary profile**				
	Gender	**Total number of employees in group**	**Number of beneficiaries**	**Expenditure on rewards Year 1 R' 000**	**Proportion of beneficiaries within group %**
Lower skilled (Levels 1-2)	Female	0	0	0	0%
	Male	0	0	0	0%
Skilled (Levels 3-5)	Female	0	0	0	0%
	Male	0	0	0	0%
Highly skilled production (levels 6-8)	Female	0	0	0	0%
	Male	0	0	0	0%
Highly skilled supervision (levels 9-12)	Female	0	0	0	0%
	Male	0	0	0	0%
Senior management (Levels 13-15)	Female	0	0	0	0%
	Male	0	0	0	0%
MM and S57	Female				
	Male				
Total					
Has the statutory municipal calculator been used as part of the evaluation process ?					Yes/No
Note: MSA 2000 S51(d) requires that ... 'performance plans, on which rewards are based should be aligned with the IDP'... (IDP objectives and targets are set out in Chapter 3) and that Service Delivery and Budget Implementation Plans (developed under MFMA S69 and Circular 13) should be consistent with the higher level IDP targets and must be incorporated appropriately in personal performance agreements as the basis of performance rewards. Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).					*T 4.4.1*

COMMENT ON PERFORMANCE REWARDS:

The Employee Performance Management and Development System is due to be rolled out to non-Section 56 employees, from Task Grade 15 upwards, in 2013/2014. The full implementation is scoped to occur over a three-year period.

An Employee Performance Management System (EPMS) is in place for Senior Managers (City Manager and Directors). No performance rewards have been issued to any staff for the past financial year.

T 4.4.1.1

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Note: MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

BCMM develops and implements a workplace skills plan (WSP) on an annual basis. This is based on the capacity-building and development needs identified by staff and managers, and is then effected via a training plan.

Although the above needs are identified by line managers and staff, the alignment of such needs with formal capacity development needs, identified in terms of the performance management system, is lacking. This challenge is being addressed by the implementation of an EMPS and alignment with identified capacity gaps and interventions which are then contained in individual staff members' personal development plans (pdp's).

T 4.5.0

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June 2013	Number of skilled employees required and actual as at 30 June 2013											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: End of 2011/12	Actual: End of 2012/13	2012/13 Target	Actual: End of 2011/12	Actual: End of 2012/13	2012/13 Target	Actual: End of 2011/12	Actual: End of 2012/13	2012/13 Target	Actual: End of 2011/12	Actual: End of 2012/13	2012/13 Target
MM and s57	Female	1	5				1	1		0	0		1	1
	Male	2	5				2	3		0	0		2	3
Councillors, senior officials and managers	Female	118	2				42	52	7	5	5		47	57
	Male	109	3				61	38	10	8	12		69	50
Technicians and associate professionals*	Female	98	4				17	9	10	8	8		25	17
	Male	318	8				90	141	24	14	14		104	155
Professionals	Female	109	8				25	95	7	0	0		25	95
	Male	207	6				37	155	5	0	0		2	2
Sub total	Female	326	19				85	157		13	13		98	170
	Male	636	22				190	337		22	26		177	210
Total		1924	82	0	0	0	550	988	63	70	78	0	550	760

**Registered with professional Associate Body e.g CA (SA)* T 4.5.1

Chapter 4

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c)	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1	0	1	1	1	1
Chief financial officer	1	0	1	0	0	0
Senior managers	4	0	4	0	0	0
Any other financial officials	35	0	35	0	0	4
Supply Chain Management Officials						
Heads of supply chain management units	1	0	1	0	0	0
Supply chain management senior managers	3	0	3	0	1	1
TOTAL	45	0	45	1	2	6

** This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)* T 4.5.2

Skills Development Expenditure										R'000
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Learnerships		Skills programmes & other short courses		Other forms of training / INTERNSHIP LGSETA Funding & National Treasury		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	18	1030000	30000			6125000	3368000	7155000	3398000
	Male	69								
Legislators, senior officials and managers	Female	43			9480309	209734			9480309	209734
	Male	72								
Professionals	Female	105				727072				727072
	Male	210								
Technicians and associate professionals	Female	102				243720				243720
	Male	380								
Clerks	Female	513				947158				947158
	Male	219								
Service and sales workers	Female	160				945777				945777
	Male	398								
Plant and machine operators and assemblers	Female	54				630055				630055
	Male	270								
Elementary occupations	Female	860				182095				182095
	Male	1390								
Sub total	Female	1855	1030000	30000	9480309	3073461	6125000	3368000	16635309	6471461
	Male	3008								
Total		4863	1030000	30000	9480309	3073460.9	6125000	3368000	16635309	6471460.9
**% and *R value of municipal salaries (original budget) allocated for workplace skills plan.*										68%
										T4.5.3

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

Although the implementation of training at BCMM is adequate, it requires a more focused approach, as previously set out. Funding provided for capacity building is adequate at 1.86% of the staff budget and is set to increase to 2% of the staff budget.

The MFMA competency regulations have resulted in steps being taken to ensure that Senior Managers meet competency requirements. The City Manager and CFO have both achieved the necessary competencies. All other targeted staff are in the process of qualifying. National Treasury has awarded an extension to BCMM for the qualification of these staff members by 30 June 2014. In addition, these competency regulations have also resulted in the establishment of a pool of qualified staff below senior manager level, to enable internal staff mobility.

T 4.5.4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

Employee expenditure is closely monitored and controlled each month by the respective line managers. The Budget office submits monthly reports on any over- or under-expenditure and line managers are required to take the necessary corrective actions in order to comply with the amounts that are on the budget.

The Municipality seeks to obtain value for money from its workforce expenditure through various initiatives, such as: the Absenteeism Reduction Policy; and the proposed implementation of a Biometric Employee Attendance Control System. Line managers are required to ensure that employees are productive. The implementation of the Employee Performance Management System will assist with this. In addition to the above procedures, when a vacancy arises, line managers are required to motivate the reasons for the post to again be filled.

T 4.6.0

4.6 EMPLOYEE EXPENDITURE



Actual exp	**R 873,367,137**	**R 952,656,805**	**R 981,882,106**
	2010/11	**2011/12**	**2012/13**

Source: MBRR SA22 *T 4.6*

COMMENT ON WORKFORCE EXPENDITURE:

From the above expenditure trends, one notes that workforce expenditure increased annually, as follows:

2010/11: 13.73%

2011/12: 9.08%

2012/13: 3.068%

The steep increase in expenditure for the 2010/11 financial year was due to the annual salary increase and the implementation of the TASK Job Evaluation Grading Scheme. The SALGBC agreed back pay to employees.

The 2011/12 financial year experienced a 9.08% increase in total employee expenditure due to the annual salary increase of 6.08% and the payments of back pay relating to Job Evaluation anomalies being rectified.

Chapter 4

The 2012/13 financial year did not increase substantially despite a general salary increase of 6.5% with effect from 1 July 2012 and a further 0.05% with effect from 1 January 2013. This is due to the fact that a moratorium was placed on the filling of vacant posts unless they were of a critical nature, due to the restructuring of the Municipality.

T 4.6.1.1

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	**Number of employees**	**Job evaluation level**	**Remuneration level**	**Reason for deviation**
Lower skilled	8	Levels 1-2	Remuneration level is determined by what the individual employee's salary and post level was prior to TASK implementation plus annual increases	Employees will retain their salary benefit that existed prior to the implementation of TASK Job Evaluation if they were earning higher than the top notch of the evaluated level as per the SALGBC agreement
Skilled	215	Levels 3 -5	Remuneration level is determined by what the individual employee's salary and post level was prior to TASK implementation plus annual increases	Employees will retain their salary benefit that existed prior to the implementation of TASK Job Evaluation if they were earning higher than the top notch of the evaluated level as per the SALGBC agreement
Highly skilled production	431	Levels 6-8	Remuneration level is determined by what the individual employee's salary and post level was prior to TASK implementation plus annual increases	Employees will retain their salary benefit that existed prior to the implementation of TASK Job Evaluation if they were earning higher than the top notch of the evaluated level as per the SALGBC agreement
Highly skilled supervision	240	Levels 9-12	Remuneration level is determined by what the individual employee's salary and post level was prior to TASK implementation plus annual increases	Employees will retain their salary benefit that existed prior to the implementation of TASK Job Evaluation if they were earning higher than the top notch of the evaluated level as per the SALGBC agreement
Management	37	Levels 13-20	determined by what the individual employee's salary and post level was prior to TASK implementation plus annual increases	Employees will retain their salary benefit that existed prior to the implementation of TASK Job Evaluation if they were earning higher than the top notch of the evaluated level as per the SALGBC agreement

T 4.6.3

Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:
Component A: Statement of Financial Performance
Component B: Spending Against Capital Budget
Component C: Other Financial Matters

The Annual Financial Statements reflect the continued progress being made by the Municipality to ensure a financially viable institution, which can withstand a certain degree of financial volatility and continue to operate for the benefit of its inhabitants. Revenue year-on-year continues to show improvement, the main contributor being the fuel levy revenue which increased by 86%. This increase in revenue is as a result of BCMM being entitled to a full year's allocation of the fuel levy revenue due to its becoming a metropolitan municipality. Government grants and subsidies have also contributed to the significant increase in revenue, resulting from improved capital spend occurring within the Municipality. This is particularly important as it has a direct impact on the lives BCMM's constituent community.

BCMM is exposed to continued inflationary pressures and continues to attempt to manage these pressures through cost containment initiatives. These ongoing initiatives attempt to alleviate any undue pressure being placed on the community through excessive general expenditure.

An area of particular concern is the need to increase spending on the maintenance of assets so as to enable them to achieve their full estimated useful lives. The Metro has recognised that it is imperative for additional funding to be provided within the repairs and maintenance budget to address this need.

T 5.0.1

Chapter 5

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

Note: Statements of Revenue Collection Performance by vote and by source are included at ***Appendix K****.*

The surplus for the year is R483m, which is an unfavourable variance of R281m in comparison to the budgeted surplus of R763m. This variance comprises an adverse variance of R27m (excluding transfers recognized from Capital) in relation to the revenue received against a favourable variance of R67m in expenditure.

Total revenue did not achieve the expected budget expectations and there was a shortfall in of R27m. This shortfall was as a result of:

Reduced release of funding associated with operational projects expenditure to the extent of R73m.

Rates revenue totalled R580m, which was below the budgeted amount by R5m.

Electricity sales income totalled R1,266m, which was R17m (1%) below the budgeted revenue.

The above was compensated by a favourable collection of water revenue totalling R271m, which was R11m above the budget.

Total expenditure totalled R3.96m in comparison to a budget of R4,032m, thus resulting in a favourable variance of R67m. The largest contributors to this variance were the savings achieved within other expenditure of R161m (29% of the budget), and savings in employee related costs totalling R73m (27% of the budget).

T 5.1.0

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Description	Year 0											Year -1			
R thousands	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Financial Performance															
Property rates	585,374	0	585,374			585,374	580,100		(5,274)	99%					522,514
Service charges	1,967,956	(0)	1,967,956			1,967,956	1,966,063		(1,893)	100%					1,756,514
Investment revenue	53,986	–	53,986			53,986	83,980		29,994	156%					58,737
Transfers recognised - operational	804,866	(8,097)	796,769			796,769	723,457		(73,313)	91%					724,619
Other own revenue	554,454	0	554,454			554,454	578,299		23,845	104%					368,433
Total Revenue (excluding capital transfers and contributions)	**3,966,637**	**(8,097)**	**3,958,541**	**–**		**3,958,541**	**3,931,900**		**(26,641)**	**99%**	**0**				**3,430,818**
Employee costs	1,053,329	26,349	1,079,678			1,079,678	1,005,474		74,204	93%					956,366
Remuneration of councillors	45,219	535	45,754			45,754	43,331		2,422	95%					42,966
Debt impairment	215,000	0	215,000			215,000	106,770		108,230	50%					58,207
Depreciation & asset impairment	376,528	(0)	376,528			376,528	699,422		(322,895)	186%					677,501
Finance charges	89,112	(22,463)	66,649			66,649	44,093		22,556	66%					130,769
Materials and bulk purchases	1,049,157	0	1,049,157			1,049,157	1,040,113		9,043	99%					915,387
Transfers and grants	30,464	1,683	32,147			33,201	21,001		12,200	63%					13,741
Other expenditure	1,133,412	33,341	1,166,753			1,165,699	1,004,460		161,239	86%					859,084
Total Expenditure	**3,992,222**	**39,444**	**4,031,666**	**–**	**–**	**4,031,666**	**3,964,666**	**–**	**67,000**	**98%**	**0**	**–**	**–**	**–**	**3,654,020**
Surplus/(Deficit)	**(25,584)**	**(47,541)**	**(73,125)**	**–**		**(73,125)**	**(32,767)**		**(93,641)**	**45%**	**0**				**(223,202)**
Transfers recognised - capital	629,018	205,050	834,068			834,068	515,570								187,131
Contributions recognised - capital & contributed assets	–	2,451	2,451			2,451	–								–
Surplus/(Deficit) after capital transfers & contributions	**603,434**	**159,960**	**763,394**	**–**		**763,394**	**482,804**		**(93,641)**	**63%**	**0**				**(36,071)**
Share of surplus/ (deficit) of associate	–		–			–									–
Surplus/(Deficit) for the year	**603,434**	**159,960**	**763,394**	**–**		**763,394**	**482,804**		**(93,641)**	**63%**	**0**				**(36,071)**
Capital expenditure & funds sources															
Capital expenditure	749,097	229,006	978,103			978,103	672,311								270,780
Transfers recognised - capital	629,018	205,050	834,068			834,068	583,647								186,834
Public contributions & donations	–	2,451	2,451			2,451	–								730
Borrowing	–	–	–			–	–								17,674
Internally generated funds	120,079	21,505	141,584			141,584	88,664								65,542
Total sources of capital funds	749,097	229,006	978,103			978,103	672,311								270,780
Cash flows															
Net cash from (used) operating	942,999	(43,241)	899,758			899,758	1,199,620								649,972
Net cash from (used) investing	(749,097)	(229,006)	(978,103)			(978,103)	(603,550)								(268,909)
Net cash from (used) financing	(41,533)	(2,448)	(43,981)			(43,981)	(275,229)								399,970
Cash/cash equivalents at the year end	848,527	(274,695)	573,832			573,832	1,842,086								1,521,246

T 5.1.1

Chapter 5

Financial Performance of Operational Services

R '000

Description	Year -1	Year 0			Year 0 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Water	63,355	41,411	43,029	(13,770)	400.74%	412.49%
Waste Water (Sanitation)	(48,520)	12,740	17,653	(108,349)	111.76%	116.29%
Electricity	(115,047)	(66,936)	(64,835)	(101,909)	34.32%	36.38%
Waste Management	(58,824)	(11,253)	(8,311)	(65,534)	82.83%	87.32%
Housing	8,002	25,323	25,770	902	-2706.92%	-2756.50%
Component A: Basic Services - sub-total	(151,034)	1,285	13,306	(288,659)	100.45%	104.61%
Roads	200,578	246,832	247,357	291,999	15.47%	15.29%
Transport	7,233	8,318	8,629	5,448	-52.68%	-58.40%
Waste Water (Stormwater Drainage)	–	–	–	–	0.00%	0.00%
Component B: Road Transport - sub-total	207,811	255,150	255,987	297,447	14.22%	13.94%
Planning	132,525	167,842	166,486	74,747	-124.55%	-122.73%
Local Economic Development	(2,110)	(3,976)	(3,997)	(2,067)	-92.32%	-93.34%
Component C: Planning and Development - sub-total	130,415	163,866	162,489	72,680	-125.46%	-123.57%
Libraries, Archieves, Museums, Galaries, Community Facilities etc	62,129	66,254	67,426	69,209	4.27%	2.58%
Cemetories and Crematoriums	15,516	16,719	18,150	11,847	-41.13%	-53.20%
Child Care, Aged Care, Social Programmes	–	–	–	–	0.00%	0.00%
Component D: Community and Social Services - sub-total	77,645	82,973	85,575	81,055	-2.37%	-5.58%
Pollution Control	992	1,879	1,794	779	-141.16%	-130.28%
Bio-Diversity, Landscape and Other	76,270	78,093	79,146	80,464	2.95%	1.64%
Component E: Environmental Protection - sub-total	77,262	79,972	80,940	81,243	1.56%	0.37%
Clinics	(39,448)	9,122	9,333	5,335	-70.97%	-74.92%
Ambulance Service	–	–	–	–	0.00%	0.00%
Health Inspection, Food and Abbatoir Licensing and Inspection	27,938	8,201	9,210	21,188	61.30%	56.53%
Component F: Health - sub-total	(11,510)	17,322	18,543	26,524	34.69%	30.09%
Police	94,957	94,365	95,146	103,773	9.07%	8.31%
Fire	(5,078)	8,518	8,299	(11,719)	172.68%	170.81%
Other (Disaster Management, Animal Licencing and Control etc	6,492	8,301	8,245	6,075	-36.64%	-35.72%
Component G: Security and Safety - sub-total	96,370	111,184	111,691	98,129	-13.30%	-13.82%
Sport and Recreation	55,796	52,206	52,633	67,607	22.78%	22.15%
Component H: Sport and Recreation - sub-total	55,796	52,206	52,633	67,607	22.78%	22.15%
Executive and Council	314,609	170,377	196,107	173,748	1.94%	-12.87%
Financial Services	(860,608)	(1,072,822)	(1,066,022)	(1,217,175)	11.86%	12.42%
Human Resources Services	64,074	99,751	95,142	67,336	-48.14%	-41.30%
Information and Communication Technology	21,479	31,246	33,494	25,659	-21.77%	-30.53%
Property, Legal, Risk Management and Procurement Services	26,097	33,072	33,240	31,627	-4.57%	-5.10%
Component I:Policy Offices and Other sub-total	(434,348)	(738,375)	(708,039)	(918,805)	19.64%	22.94%
Total Expenditure	**48,498**	**25,584**	**73,125**	**(482,779)**	**105.30%**	**115.15%**

In this table operational income is offset agaist operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

T 5.1.2

Chapter 5

COMMENT ON FINANCIAL PERFORMANCE:

REVENUE BY SOURCE

Property Rates – penalties & collection charges

A R5,3m negative variance was experienced on penalties and collection charges for vacant and undeveloped land, as the actual revenue was unable to achieve the anticipated revenue expectations as recorded in the budget.

Interest earned - external investments

Investment revenue yielded R27.8m more than anticipated, due to interest earned on unspent grants invested.

Transfers recognised - operational

A R77.2m negative variance was experienced, due to under spending on operating projects, as revenue is recognised when funds are spent or when conditions of the grants are met.

Other revenue

Other revenue received exceeded budget expectations by R27.7m. This category of revenue includes numerous miscellaneous revenue items, including town planning fees, market income, vehicle registration fees, cemetery fees, grave space sales, tender receipts, etc.

EXPENDITURE BY TYPE

Debt impairment

The debt impairment figure is calculated using the approved methodology on the debt book as at 30 June 2013. This figure allows BCMM to make a realistic provision taking into account the ageing of the outstanding debtors at year end. The budget for debt impairment is based on the 12 months' average collection rate.

Finance charges

This budget item only relates to interest on loans and excludes finance charges on leases.

Other expenditure

Other expenditure was R260m less than budgeted, largely due to under-spending on operating projects and the adoption of an in-house approach by BCMM's refuse removal service.

T5.1.3

5.2 GRANTS

Chapter 5

Grant Performance						
R' 000						
Description	2011/12	2012/13			2012/13 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	**564,238**	**667,160**	**691,630**	**661,669**	**-1%**	**-5%**
Equitable share	557,288	651,565	651,565	650,616	-0.00	0%
Department of Water Affairs	1,712	1,283	1,374	1,126	-14%	-22%
Finance Management	1,130	1,500	1,500	1,500	0%	0%
Infrastructure Skills Development	–	3,000	2,405	1,265	-137%	-90%
Expanded Public Works Programme Inc	–	1,484	1,484	930	-60%	-60%
Urban Settlement Development	4,109	8,328	33,302	6,232	-34%	-434%
Provincial Government:	**38,618**	**123,119**	**88,348**	**59,978**	**-105%**	**-47%**
Health subsidy	–	2,522	2,522	–	-	-
Housing	20,350	111,646	70,083	47,555	-135%	-47%
Dept of Environmental Affairs & Tourism	26	–	–	–	-	-
Roads Subsidy-Provincial Roads	–	1,871	1,871	–	-	-
Department of Water Affairs	17,220	2,375	7,775	7,730	69%	-1%
Local Govt & Traditional Affairs	1,023	–	1,082	295	100%	-266%
Library Subsidy	–	4,329	4,329	4,329	0%	0%
Dept of Human Settlement	–	77	607	68	-14%	-798%
Dept of Land Affairs	–	300	80	1	-30575%	-8080%
District Municipality:	-	**12,216**	**12,216**	**–**	**-**	**-**
Health Subsidy-Environmental Health		12,216	12,216	–	-	-
Other grant providers:	**4,536**	**2,370**	**4,576**	**2,793**	**15%**	**-64%**
SETA-Skills Development	3,235	2,370	2,370	2,370	0%	0%
SETA-Councillor Training	10	–	–	–	-	-
Leiden					100%	-373%

Chapter 5

Grant Performance						
R' 000						
Description	2011/12	2012/13			2012/13 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
	415	–	1,956	414		
Salaida/Gavle	277	–	127	9	100%	-1349%
BCMET Funding	281	–	–	–	-	-
European Commission	318	–	122	–	-	-
Total Operating Transfers and Grants	**607,393**	**804,866**	**796,770**	**724,439**	**-11%**	**-10%**
						T 5.2.1

Chapter 5

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	**Actual Grant 2011/2012**	**Actual Grant 2012/2013**	**2012/2013 Municipal Contribution**	**Date Grant terminates**	**Date Municipal contribution terminates**	**Nature and benefit from the grant received, include description of any contributions in kind**
Parastatals						
Health Subsidy (ATTIC)	5,414	–				Prevent the spread of HIV infection and provide support to HIV positive survivors.
Health Subsidy (Environmental Health)	–	–				
Dept of Human Settlement	30,463	20,880				Provide funding for the creation of sustainable human settlements.
Dept of Environmental Affairs & Tourism	–	–				
Roads Subsidy	–	–				
Dept Water Affairs	18,345	5,831				Provide water supply services to consumers currently without, services particularly those in rural areas.
Local Govt & Traditional Affairs	–	–				
Library Subsidy	24,130	23,738				
Dept of Land Affairs	–	–				
Health Subsidy (Primary Health Care)	39,569	–				
SETA	2,084	3,419				Provide employees with the opportunities to acquire new skills.
Disaster Relief Fund	–	–				Immediate consequences of disasters are a mitigated
Dept of Sports, Recreation, Arts & Culture	–	–				Increasing citizens' access to sport and recreation activities
Public Funding	686	272				Development levies.
Foreign Governments/Development Aid Agencies						
Leiden	–	50				
Salaida/Gavle	236	–				An inter-governmental agreement aimed at poverty alleviation & sustained development.
						T 5.2.3

Chapter 5

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

Infrastructure Skills Development

BCMM is experiencing challenges with regards to attracting suitably qualified technically skilled personnel. The Infrastructure Skills Development Grant aims at addressing this challenge through the identification of personnel with the required aptitude and providing a training and development route which can be followed in order for them to become adequately and suitably qualified. The under-spending of the grant is as a result of challenges identified with identifying suitable personnel who could undertake this career growth opportunity.

Expanded Public Works Programme

The EPWP programme is a provincial government initiative to address the high rates of unemployment across the country. Due to the recruitment process having started later in the financial year than normal, BCMM has requested funding to be rolled over into 2013/14.

Urban Settlement Development

The unspent allocation of the USDG Funding is committed to awarded contracts and a motivation for the roll-over of unspent funding has been sent to National Treasury for approval.

Housing - Human Settlement Development Grant

The grant is utilized for the construction of top structures (construction of the dwelling except for internal services infrastructure) for human settlement developments.

The spending of this grant depends predominately on bulk infrastructure being installed. The funding will be utilized over the medium term.

Roads Subsidy-Provincial Roads

BCMM has as yet not finalized a formal contract with the Provincial Government Department of Roads and Transport. Unfortunately the funding that is currently being received is insufficient for the projects for which they are intended and the funding needs to be clarified with the department concerned in order to meet the required expectations.

Department of Land Affairs

BCMM acts as an agent for the Department of Land Affairs with regards to land claims. Any payment from this grant needs to be requested by the Department of Land Affairs

T 5.2.4

Chapter 5

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

BCMM's Management Team has continued to ensure that a strong asset management function is implemented. The following initiatives and principles were in place during the year under review:

Management recognised the importance of optimal investment into the Metro's asset base and of ensuring that the investment maintained in working capital is kept to a minimum.

The credit control policy was actively implemented, so as to encourage consumers to settle amounts owing to the Institution in a timely manner.

BCMM is currently reviewing the value of inventory held, and investing in the interface of electronic reporting systems so as to reduce the value held and inventory to a level which would allow for the institution to operate efficiently without over-committing resources to slow moving inventory items.

There is notable concern with regards to infrastructure assets under management. This concern was further emphasized in the Auditor General's report, whereby a qualification was recorded on infrastructure assets in the 2011/12 Annual Report. In an attempt to improve the quality of information and the management and reporting of infrastructure assets, South African Cities Network was approached to improve the management of infrastructure assets. This project was undertaken and culminated with the approval by Council of an Infrastructure Policy document, with the express purpose of focusing resources on BCMM's core business – i.e. providing services to the community through investing in infrastructure assets.

The need to focus on infrastructure replacement, in order to reduce electricity and water losses and in turn improve efficiency of the organization, has been recognised and a strategy to this end has been adopted and is being implemented. This process will continue in the new financial year with funds being allocated for the replacement of aging infrastructure assets.

T 5.3.1

Chapter 5

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2012/2013				
Asset 1				
Name	Property, Plant, Equipment			
Description	**Bridle Drift Dam**			
Asset Type	Dams			
Asset Value	2009/10	2010/11	2011/12	2012/13
	R139,200,000	R137,600,000	R136,000,000	R240,000,000
Asset 2				
Name	Property, Plant, Equipment			
Description	**King Williams Town Waste Disposal Site**			
Asset Type	Waste Sites			
Asset Value	2009/10	2010/11	2011/12	2012/13
	R185,939,292	R181,983,137	R178,008,694	R193,752,576
Asset 3				
Name	Property, Plant, Equipment			
Description	**Bridges: Braelyn 10**			
Asset Type	Road Structures			
Asset Value	2009/10	2010/11	2011/12	2012/13
	R149,342,029	R123,084,000	R120,006,900	R153,855,000
T 5.3.2				

COMMENT ON ASSET MANAGEMENT:

Improving asset management continues to be a focus for BCMM, as it is the area from which services are delivered to the inhabitants of the Municipality and subsequently the primary area of revenue generation. The Metro has, therefore, engaged a service provider to prepare an Infrastructure Asset Management Policy and a Valuation Guide. The Asset Management Policy was approved by Council during the financial year and has been implemented with the preparation of the 2012/13 Annual Financial Statements.

In deciding which projects to implement, the relevant BCMM departments undertake needs analyses to establish the communities' priority needs. This information is then fed into the IDP and used to make informed decisions with regards to which assets require prioritisation.

T 5.3.3

Repair and Maintenance Expenditure: Year 0				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	290,863	293,739	263,702	9%
				T 5.3.4

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

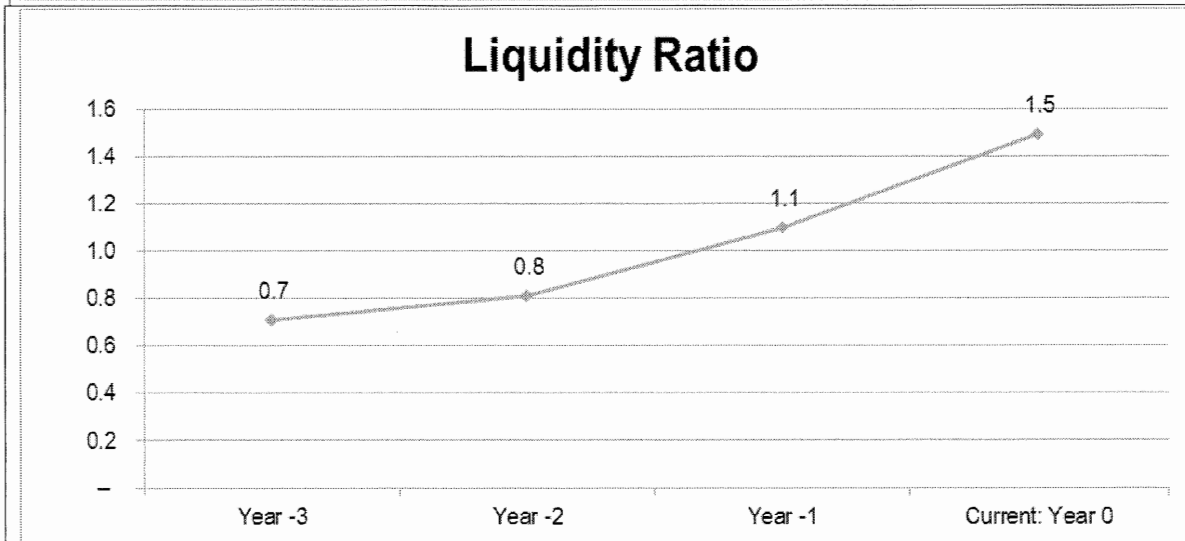
BCMM spent 90% of its repairs and maintenance budget during the year under review. This was spent primarily on infrastructure maintenance, which reflects an improvement compared to previous years. The under-spending of 10% is on the allocation for furniture, equipment and building maintenance which is spent as and when required.

The City is budgeting, on average, 10% of its service revenue for repairs and maintenance. The allocation has increased by 20% from 2011/12 as the City's objective is to invest more into infrastructure maintenance and upgrading.

T 5.3.4.1

Chapter 5

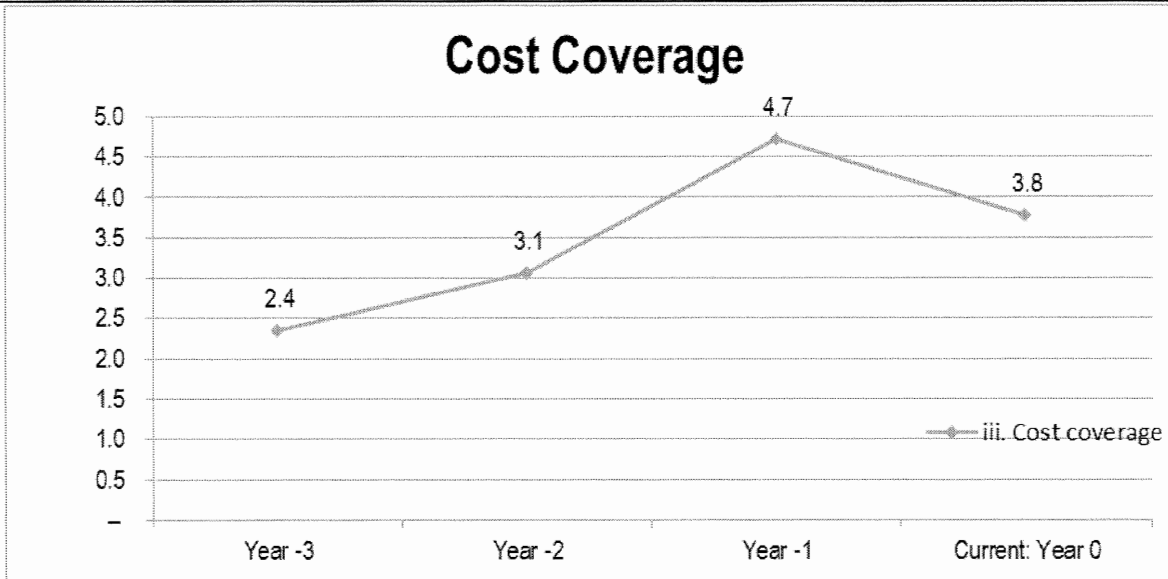
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



Liquidity Ratio – Measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality's current liabilities. A higher ratio is better.

Data used from MBRR SA8

T 5.4.1

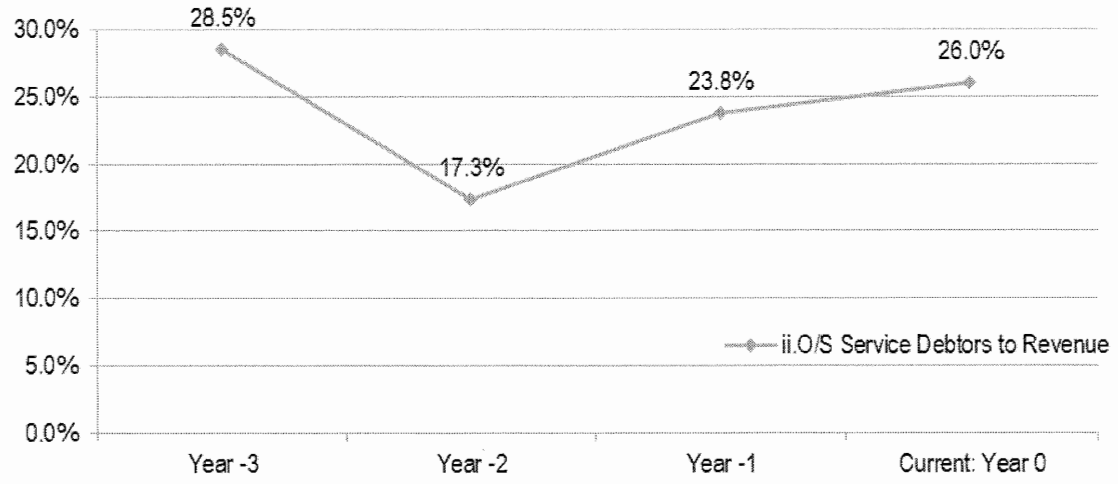


Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

Data used from MBRR SA8

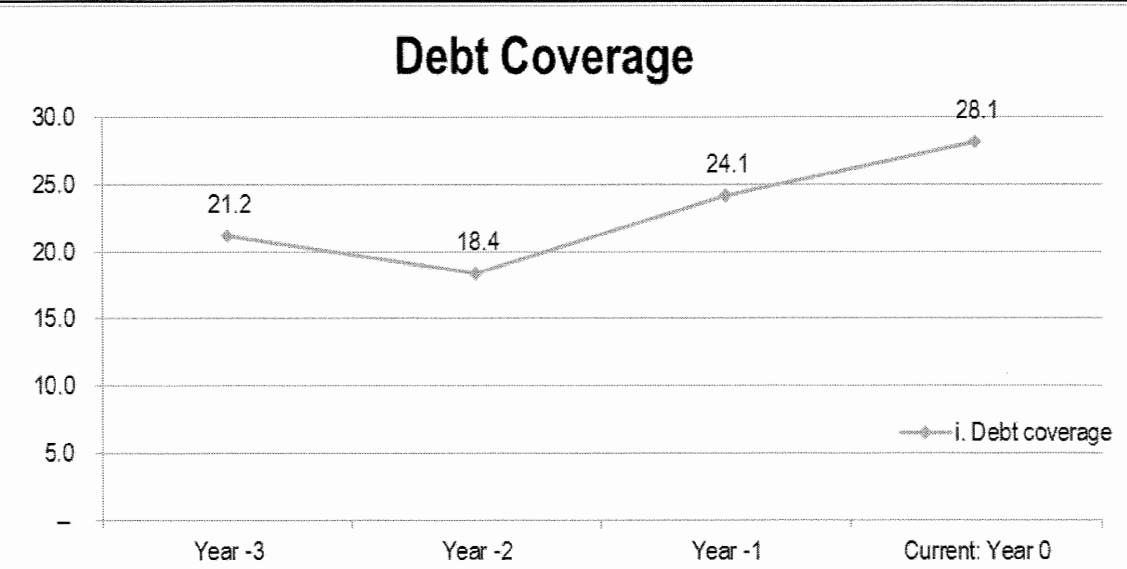
T 5.4.2

Chapter 5



Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

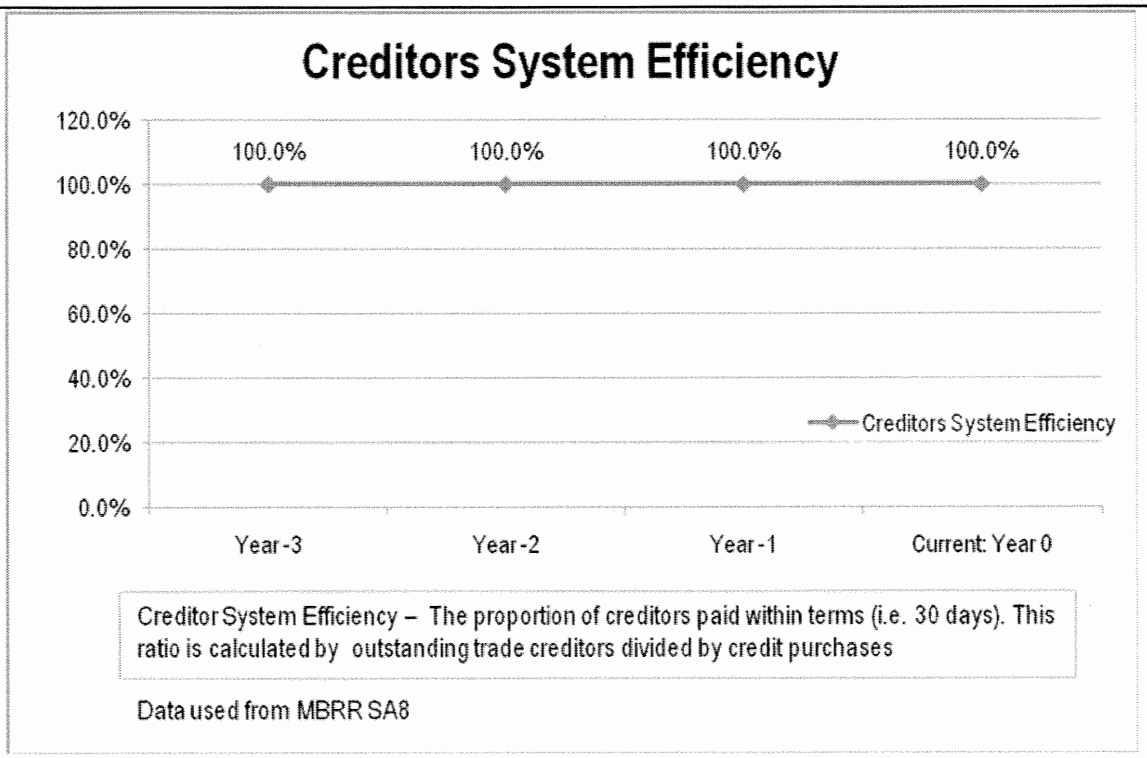
T 5.4.3



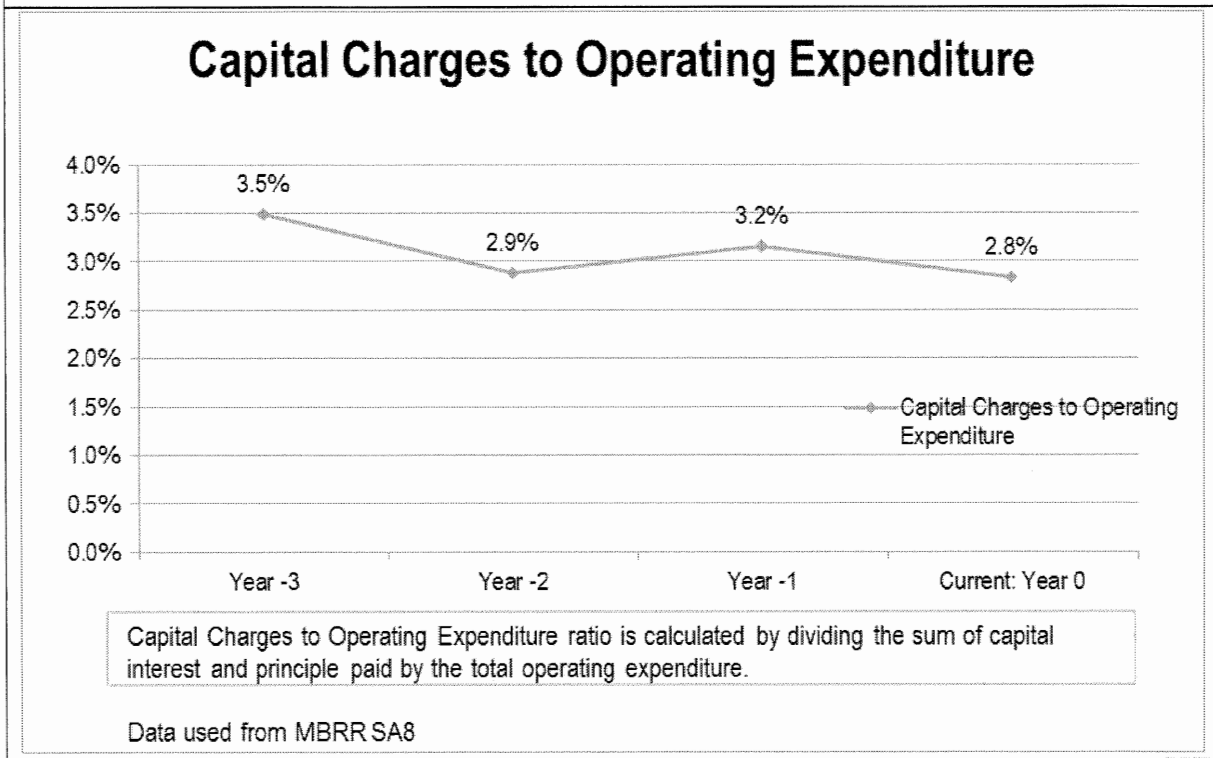
Debt Coverage– The number of times debt payments can be accomodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accomodated by the municipality

Data used from MBRR SA8

T 5.4.4

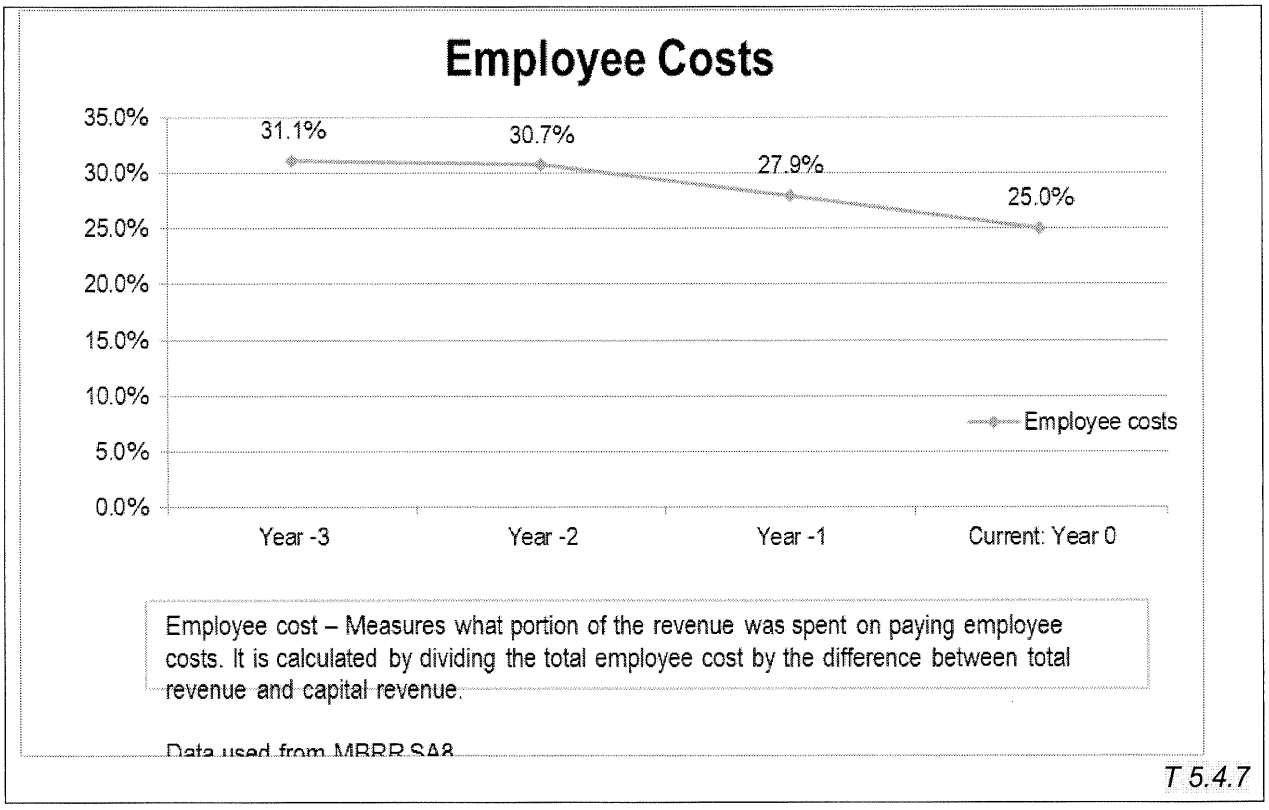


T 5.4.5



T 5.4.6

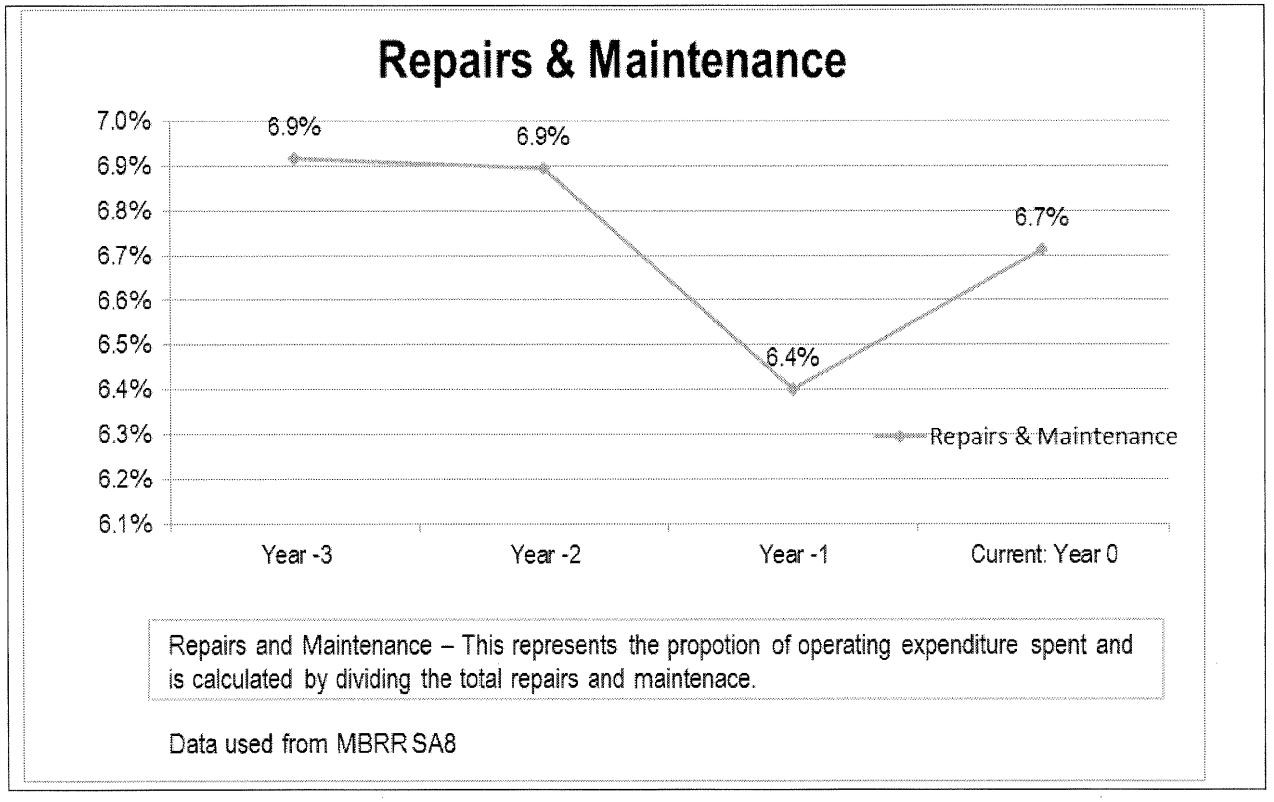
Chapter 5



Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8

T 5.4.7



Repairs and Maintenance – This represents the propotion of operating expenditure spent and is calculated by dividing the total repairs and maintenace.

Data used from MBRR SA8

Chapter 5

T 5.4.8

COMMENT ON FINANCIAL RATIOS:

Liquidity Ratio: The rate of 1.50 : 1 is regarded as good and indicates the Metro's ability to pay Current Liabilities with available Current Liquid Assets. The norm is set at 1 : 1, so the Metro's Liquidity Ratio is better than the Municipal Industry norm.

Cost Coverage: This rate has decreased over the past year and currently is at 3.8 months, representing how many months expenditure can be covered by cash and other liquid assets available to the Metro.

Total Outstanding Service Debtors: The rate of outstanding debt is starting to increase over the past 3 financial year ends. It is currently 26.0%, which is a marked increase since 2010/2011, when it was 17.3%. Outstanding debtors continue to be a focus for the Metro which is continuously implementing methods to decrease this rate to within a manageable range.

Debt Coverage: This rate is steadily improving, due primarily to no additional loans having been taken on. Currently the Metro's rate is 28.10 when compared with 24.14 in the previous financial year.

Creditors System Efficiency: The Metro maintains its policy to pay its top 20 creditors within 30 days. The constant 100% payment levels to creditors highlights this achievement.

Capital Charges to Operating Expenditure: The rate continues to decrease as a result both of increases in Operating Expenditure and no new borrowings being incurred by the Metro. The rate currently is 2.8%.

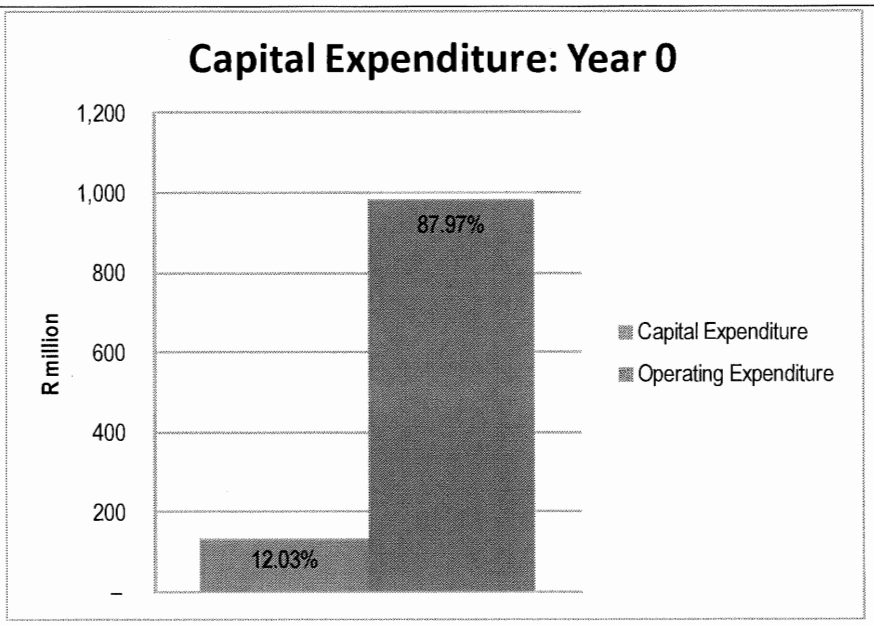
Employee Costs as a percentage of Operating Revenue: The rate of 25.00% is lower than the expected norm of 30% and is due largely to the unfilled posts in the top echelons of the Municipality.

Repairs and maintenance as a percentage of Total Revenue (excl. Capital Transfers and Contributions): The rate remains stable at around 7% for the past 4 years, currently 6.70%

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

Chapter 5

5.5 CAPITAL EXPENDITURE



T 5.5.1

5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: 2011/2012 to 2012/2013							
R' 000							
Details		2011/2012 Actual	2012/2013 Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External loans	6,269		18,195	18,146	0	0
	Public contributions and donations	655		2,451	0	0%	0.00%
	Grants and subsidies	202,991	629,018	834,068	506,406	33%	-19.49%
	Other	68,973	120,079	123,389	68,933	2.8%	-42.59%
Total		278,888	749,097	978,103	**593,485**	**30.57%**	**-20.77%**
Percentage of finance							
	External loans	2.20%	0.00%	1.90%	3.1%	0%	0%
	Public contributions and donations	0.20%	0.30%	0.30%	0.0%	0%	0%
	Grants and subsidies	72.80%	83.70%	85.30%	85.33%	1.91%	1.95%
	Other	24.70%	16.00%	12.60%	11.61%	-21.25%	-27.44%

Chapter 5

Capital Expenditure - Funding Sources: 2011/2012 to 2012/2013						
R' 000						
Details	2011/2012 Actual	2012/2013 Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Capital expenditure						
Water and sanitation	83,913	213,408	314,877	192,684	47.55%	-9.71%
Electricity	35,153	77,851	84,732	76,432	8.84%	-2.00%
Housing	14,023	62,989	56,374	36,692	-10.50%	-34.98%
Roads & storm water	52,683	147,764	257,234	212,213	74.08%	30.89%
Other	93,116	226,830	247,085	75,466	8.93%	-37.47%
Total	278,888	749,097	978,103	**593,485**	**30.57%**	**-20.77%**
Percentage of expenditure						
Water and sanitation	30.10%	28.49%	32.19%	32.47%	12.99%	-13.97%
Electricity	12.60%	10.39%	8.66%	12.88%	-16.65%	-23.97%
Housing	5.00%	8.41%	5.76%	6.18%	-31.51%	26.52%
Roads & storm water	18.90%	19.73%	26.30%	35.76%	33.3%	-81.3%
Other	33.40%	30.28%	25.26%	12.72%	-16.58%	57.99%
						T 5.6.1

COMMENT ON SOURCES OF FUNDING:

Grants and subsidies continue to comprise the most significant portion of the funding utilised for capital expenditure. The largest being the Urban Settlement Development Grant, which is focused on developing new urban areas for habitation. This Grant is utilised to ensure service infrastructure is installed in new areas so as to allow for housing developments in these strategic areas.

T 5.6.1.1

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current: 2012/2013			Variance: Current 2012/2013	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Electrification	30 000	30 000	27 024	10%	0%
Mdantsane Roads	60 000	60 000	45 686	24%	0%
Quinera Treatment Works		31 719	29 453	-	-

Solid Waste Management		36 000		-	-
Gonubie Main Road	15 000	45 000	44 885	-199%	-200%

** Projects with the highest capital expenditure in 2012/2013*

Name of Project - A	**Electrification - Installation of a bulk tertiary Substation**
Objective of Project	Augmentation of the electrical network's capacity to meet the increasing requirements for electricity from ±30,000 RDP houses over the past 12 years, as well as other ongoing needs which have increased over time
Delays	The project has progressed well with the 1st phase nearing completion the 2nd phase - installation of the main 132 kV overhead line is in the tender process.
Future Challenges	Space has been allowed for future upgrading of substation as the need my arise; The second phase of the projects is the installation of the overhead and underground cables
Anticipated citizen benefits	The ongoing supply of uninterrupted electrical connections to residential, commercial and industrial concerns, so as to promote the ongoing economic development of BCMM
Name of Project - B	**Mdantsane Roads**
Objective of Project	Improve accessibility within Mdantsane and between Mdantsane and the rest of BCMM
Anticipated citizen benefits	Improved accessibility
Name of Project - C	
Objective of Project	**Quinera Treatment Works**
Delays	Phase 2–Mechanical Electrical on programme–Practical Completion November 2013
Future Challenges	Increased operational cost i.e. Eskom tariff increases
Anticipated citizen benefits	Open the catchment for housing and commercial development
Name of Project - D	**Solid Waste Management**
Objective of Project	Increase the capacity of solid waste disposal in the Metro
Anticipated citizen benefits	Increased access to solid waste services
Name of Project - E	**Gonubie Main Road**
Objective of Project	Widening of the existing carriageway to accommodate 2 lanes of traffic in both directions with a pedestrian sidewalk on the southern side
Delays	Initial delays in finalising the award of the contract due to budget constraints. The contract for construction was awarded in March 2013 after the adjustment budget was approved by Council in March 2013.
Future Challenges	Firstly, the additional land required for the widening and the value of such land. Secondly ownership of land that the current road traverses.
Anticipated citizen benefits	Firstly, increased capacity on the Gonubie main Road thereby reducing traffic congestion in both peak periods of the day. Secondly, improved pedestrian's safety. Thirdly, the Quenera area between Beacon Bay and Gonubie will be opened up for development as the capacity on the Gonubie Main Road is increased.

T 5.7.1

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

As the biggest economic hub in one of South Africa's poorest regions, BCMM experiences high rates of inward migration – permanent and temporary – resulting in the continual growth of informal settlements. In addition, there is a general trend towards the splitting of once large family units into more, smaller, units. As a result, there is an increasing demand for basic services – including housing, water, sanitation, transport infrastructure, electricity, waste

management and associated social services. Given the massive need for basic infrastructure, and the growing pressure on the City, the provision of basic services is a continual challenge.

BCMM works to meet the basic service needs of the City through a range of infrastructure service delivery mechanisms. In some cases, these are addressed through holistic projects coordinated by the Office of the COO, which is responsible for housing development. In other cases, departments seek to address the needs of communities who are already in situ, through the provision of additional or augmented services.

T 5.8.1

Service Backlogs as at 30 June 2012/2013

Households (HHs)

	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	228000	98%	4000	2%
Sanitation	144000	76.7%	44000	23.3%
Electricity	104755	47%	120000	53%
Waste management	2235	44.8%	2755	55.2%
Housing			40,000	

*% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.*

T 5.8.2

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Managing the cash resources of BCMM remains a key requirement to ensure the liquidity of the Municipality in order to meet its financial obligations, both currently and into a sustainable future.

Cash flow is actively monitored by BCMM, with daily cash flows being prepared and reported on in order to provide a clear indication of the current cash position. This enables the Municipality to meet its obligations as they become due. Both major revenue (grants, equitable share and high revenue inflow periods, etc.) and expenditure (bulk purchases and loan repayments, etc.) categories have been identified and accounted for appropriately to ensure that repayments are made on time and that surplus funds are invested in order to earn a favourable return on investment.

BCMM's cash generating ability remains stable. While own funds invested have increased, there is an increase in both current and long-term debtors. The effects of teh global economic crisis are also a cause of real concern to the Metro. Operations have settled and tight cash controls have ensured that cash optimization in spending occurs, rather than a focus on cash generation. The area of revenue collection requires close attention so that it can be improved. This is critical to the financial sustainability of the City.

Chapter 5

BCMM makes payment to creditors within the terms specified by suppliers, ensuring that investments remain in place in order to maximise the interest-earning potential of any surplus funds. Investment diversification is in practice at BCMM, in an attempt to minimise risk and maximise interest earning potential.

Operating activities have not changed significantly over the past financial year; the major change has been in terms of Government Receipts of a capital nature, which have increased to R516 million from R186 million in 2011/12. Net cash used has, as a result, increased to R1,171 billion from R597 million in 2011/12.

The cash flow summary clearly indicates the increase in Cash and Cash Equivalent at the year-end: from R1.52 billion in 2011/12 to R1.843 billion in 2012/13. As mentioned above, some of the key factors that have resulted in the increase include new grants being allocated to the Metro and under-spending.

Unspent conditional grants have decreased significantly to R450 million, from R740 million in 2011/2012, this s largely attributable to R249 million of the Public Transport Infrastructure Grant being returned to National Treasury.

T 5.9

Chapter 5

5.9 CASH FLOW

Cash Flow Outcomes				R'000
Description	Year -1	Current: Year 0		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	2 408 347	2 775 111	2 777 562	2 832 825
Government - operating	722 264	804 866	796 769	719 567
Government - capital	186 251	629 018	834 068	515 570
Interest	82 656	78 314	78 314	106 184
Dividends	–	–	–	–
Payments				
Suppliers and employees	(2 619 536)	(3 224 734)	(3 283 604)	(2 819 542)
Finance charges	(70 499)	(89 112)	(66 649)	(67 259)
Transfers and Grants	(112 388)	(30 464)	(32 147)	(115 922)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**597 097**	**942 999**	**1 104 314**	**1 171 425**
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	2 610	–	–	18 658
Decrease (Increase) in non-current debtors	–	–	–	–
Decrease (increase) other non-current receivables	12	–	–	13
Decrease (increase) in non-current investments	(37)	–	–	(36)
Payments				
Capital assets	(217 896)	(749 097)	(978 103)	(593 485)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(215 310)**	**(749 097)**	**(978 103)**	**(574 849)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	–	–	–	–
Borrowing long term/refinancing	441 524	–	–	(289 390)
Increase (decrease) in consumer deposits	3 466	–	–	8 599
Payments				
Repayment of borrowing	(45 020)	(41 533)	(43 981)	5 561
NET CASH FROM/(USED) FINANCING ACTIVITIES	**399 970**	**(41 533)**	**(43 981)**	**(275 229)**
NET INCREASE/ (DECREASE) IN CASH HELD	**781 756**	**152 369**	**82 229**	**321 347**
Cash/cash equivalents at the year begin:	**740 212**	**696 159**	**696 159**	**1 521 969**
Cash/cash equivalents at the year end:	**1 521 969**	**848 527**	**778 388**	**1 843 316**

Source: MBRR A7 *T 5.9.1*

Chapter 5

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

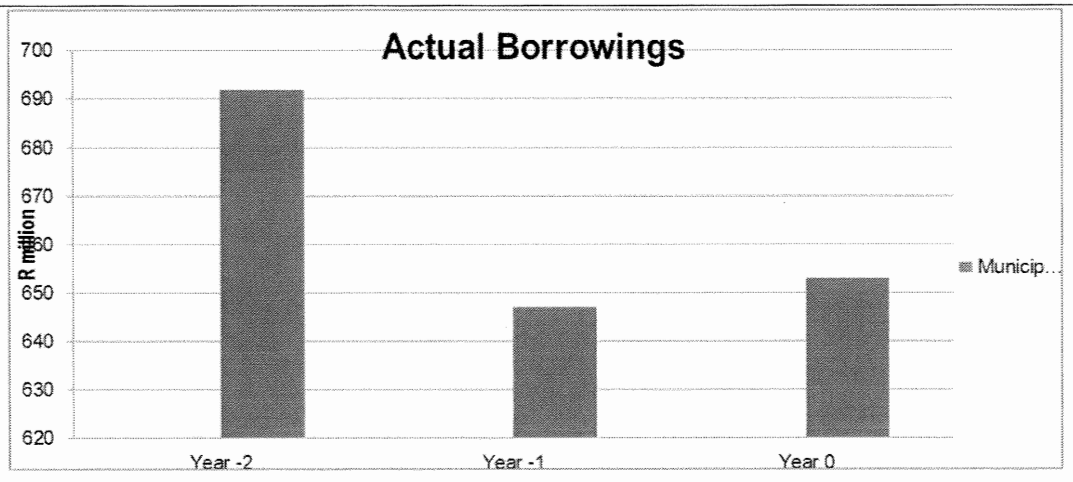
The Metro's current loans balance, including finance lease items, totalled R653 million as outstanding when compared with R647 million for 2011/12. No additional borrowings were taken up during the current year. The Metro is currently servicing its debt quarterly with two financial institutions, being Rand Merchant Bank and The Development Bank of Southern Africa.

The City's investments held with financial institutions have increased to R1,697 billion, from R1,464billion in 2011/12. Factors that have resulted in this increase relate to the City becoming a Metropolitan Municipality, thus receiving additional grants – the Fuel Levy being an example of one such grant that has resulted in an increase in investments.

T 5.10.1

Actual Borrowings: 2010 to 2013			
	R' 000		
Instrument	**2010/2011**	**2011/2012**	**2012/2013**
Municipality			
Long-Term Loans (annuity/reducing balance)	692	647	653
Municipality Total	692	647	653

T 5.10.2



T 5.10.3

Chapter 5

Municipal and Entity Investments			
R' 000			
Investment* type	2010/2011 Actual	2011/2012 Actual	2012/2013 Actual
Deposits - Bank	695	1464	1697
Entities - Other	0	0	0
Consolidated total	**695**	**1464**	**1697**
			T 5.10.4

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

The following was undertaken during the period under review:

The SCM policy was revised and adopted by Council in June 2012

The SCM Procedure Manual was developed and in a draft stage, to be completed by the end of 2013.

All three bid committee systems were in place, with appointments and full delegations.

Monthly reports, quarterly and annual SCM reports were published as per requirements.

In addition to the above, employee training is an ongoing intervention. To this end, seven SCM officials have attended the MFMA competency course. The HoD completed the course before the end of the financial year, while the other members of staff are on track to complete by the deadline. One SCM senior official has not attended training, citing age as an issue. Other junior SCM practitioners are sent on NQF equivalent training courses as and when required.

The concern with regards to skill shortages, as cited by the Auditor General, is being addressed through the recruitment of skilled staff. This process is envisaged for completion in January 2014. A proposed new structure is expected to be implemented by the end of 2013, which will result in the unit complying with the SCM system. Three new units have been added: Demand Management, Supplier Development and Risk and Contracts Management, to address the relevant gaps.

T 5.12.1

5.13 GRAP COMPLIANCE

Chapter 5

GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

BCMM is aware of the new accounting standards that have been published for implementation during the 2012/2013 financial year. These standards have been complied with in the preparation of the 2012/2013 Annual Financial Statements in all material respects. This compliance is required to improve transparency surrounding the financial information which has been prepared. The guidance provided in the new accounting statements, namely GRAP 21, 24, 26 and 103 have been utilised in the preparation of the 2012/13 Annual Financial Statements. GRAP 21 and 26 were adopted early in the 2011/12 Annual Financial Statement preparation. The budget note disclosure, as required in GRAP 24, has been included and heritage assets have been identified and disclosed in these Annual Financial Statements.

.T 5.13.1

Chapter 6

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement... must be audited annually by the Auditor-General.

The Auditor General has historically qualified the institution within the areas of infrastructure assets, investment properties and irregular expenditure. In 2012/13, BCMM prepared and implemented an audit improvement plan, in an effort to obtain an improved audit opinion. Furthermore, South African Cities Network was approached to assist management in improving the financial information surrounding Municipal properties, including investment properties, as well as certain infrastructure assets. It is envisaged that this assistance would yield significant benefits in relation to the opinion expressed by the Auditor General in the previous year.

T 6.0.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2011/2012

6.1 AUDITOR GENERAL REPORTS 2011/2012 (PREVIOUS YEAR)

Auditor-General Report on Financial Performance: 2011/2012		
Audit Report Status*:	**Qualified**	
Non-Compliance Issues	**Remedial Action Taken**	**Progress to Date**
Property, Plant and Equipment	South African Cities Network were approached to assist with the preparation of an Asset Management Policy and to componentise Roads assets	Roads information has been completed and adjusting accounting entries processed in the Annual Financial Statements. The Municipal Property Asset register has been assessed for completeness against various data sources including Title deeds information as well as against the revised approved asset policy document. This has resulted in adjusting accounting entries being processed in the September 2013 AFS submission.
Investment Property	South African Cities Network were approached to undertake a project to analyse the Municipal Property Asset Register and identify Investment Properties together with the valuations of the investment properties.	This project has been completed and adjusting accounting entries were processed for both the current and prior financial year.

Chapter 6

Auditor-General Report on Financial Performance: 2011/2012		
Audit Report Status*:	**Qualified**	
Non-Compliance Issues	**Remedial Action Taken**	**Progress to Date**
Irregular Expenditure	Irregular expenditure was to be reported to Council on a regular basis. Guidance was to be requested from National Treasury on corrective action relating to prior years	Irregular expenditure is being reported to MPAC on a regular basis.
*Note:*The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)*		
T 6.1.1		

COMPONENT B: AUDITOR-GENERAL OPINION 2012/2013 (CURRENT YEAR)

6.2 AUDITOR GENERAL REPORT 2012/2013

Auditor-General Report on Financial Performance Year 0*	
Status of audit report:	
Non-Compliance Issues	**Remedial Action Taken**
Note: The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse). This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Financial Performance Year 0.*	
T 6.2.1	

Auditor-General Report on Service Delivery Performance: Year 0*	
Status of audit report:**	
Non-Compliance Issues	**Remedial Action Taken**
* This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Service Delivery Performance Year 0*	
** Inclusion of "Status" depends on nature of AG's remarks on Performance Data.*	
T 6.2.2	

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: 2012/2013

Delete Directive note once comment is completed - Attach report.

T 6.2.3

REPORT OF THE AUDITOR-GENERAL TO THE EASTERN CAPE PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE BUFFALO CITY METROPOLITAN MUNICIPALITY

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Introduction

1. I have audited the consolidated and separate financial statements of the Buffalo City Metropolitan Municipality set out on pages ... to ..., which comprise the consolidated and separate statement of financial position as at 30 June 2013, the consolidated and separate statement of financial performance, statement of changes in net assets, cash flow statement, statement of comparison of budget and actual amounts for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the consolidated financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2012 (Act No. 5 of 2012) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and separate financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated and separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated and separate financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for qualified opinion

Property, plant and equipment

6. The municipality did not recognise and account for all items of property, plant and equipment in accordance with GRAP 17: *Property, plant and equipment*. Certain electrical infrastructure assets and properties belonging to the municipality were not included in the fixed asset register or in the consolidated and separate financial statements. Consequently, property, plant and equipment, as disclosed in note 15, and accumulated surpluses, as included on the statements of financial position and changes in net assets, are understated by R627,5 million (2012: R627,5 million).

Irregular expenditure

7. The municipality did not have adequate systems in place to identify and disclose all irregular expenditure incurred during the year, as required by section 125(2)(d)(i) of the MFMA. The irregular expenditure disclosed in note 55 to the consolidated and separate financial statements is understated in respect of amounts totalling R65,5 million (2012: R161,8 million) incurred during the year that were identified during the audit process, while the opening balance for 2011-12 is also understated by R122,4 million in this regard. Due to the lack of adequate systems and non-availability of sufficient appropriate audit evidence for all awards, it was impracticable to determine the full extent of the understatement of irregular expenditure disclosed at R781,1 million (2012: R664,0 million). I was unable to confirm the disclosure by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to the irregular expenditure disclosure note.

Qualified opinion

8. In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion paragraphs, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Buffalo City Metropolitan Municipality as at 30 June 2013 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

9. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Significant uncertainties

10. As disclosed in note 61 to the consolidated and separate financial statements, the municipality is a defendant in a number of lawsuits to the amount of R137,8 million (2012: R96,3 million). The outcome of these lawsuits cannot be determined at present as litigation is still in progress.

Restatement of corresponding figures

11. As disclosed in note 49 to the consolidated and separate financial statements, the corresponding figures for 30 June 2012 have been restated as a result of errors only corrected during the year ended 30 June 2013 that existed in the consolidated and separate financial statements at, and for the year ended, 30 June 2012.

Material impairments/losses

12. As disclosed in note 7 to the consolidated and separate financial statements, an amount of R375,9 million (2012: R343,9 million) in respect of receivables from exchange transactions has been impaired as a result of non-payment of consumer debtor accounts.

13. As disclosed in note 8 to the consolidated and separate financial statements, an amount of R189,2 million (2012: R185 million) in respect of receivables from non-exchange transactions has been impaired as a result of non-payment of consumer debtor accounts.

14. As disclosed in note 57 to the consolidated and separate financial statements, the municipality incurred material losses relating to water of R102,9 million (2012: R105,2 million) as a result of non-billed water or non-metered billable water and electricity of R85,3 million (2012: 97,5 million) as a result of technical and non-technical losses.

Material underspending of the capital budget

15. As disclosed in the statement of comparison of budget and actual amounts and note 4 to the consolidated and separate financial statements, the municipality has underspent its capital budget by R384,6 million in respect of internal and external funding. Of this amount, only R173,1 million relating to unspent conditional grant funding has been approved for roll-over by National Treasury.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

16. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

17. I performed procedures to obtain evidence about the usefulness and reliability of the information in the performance report as set out on pages ... to ... of the annual report.

18. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned development priorities. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury *Framework for managing programme performance information* (FMPPI).

    The reliability of the information in respect of the selected development priorities is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

19. The material findings concerning the usefulness and reliability of the information are as follows.

Usefulness of information

Presentation

Measures taken to improve performance not disclosed

20. Section 46 of the Municipal Systems Act (MSA) requires disclosure in the annual performance report of measures taken to improve performance where planned targets were not achieved. Measures to improve performance for a total of 45% of the planned targets not achieved were not reflected in the annual performance report. This was due to the lack of inadequate internal policies and procedures for the processes pertaining to the reporting of performance information.

Measurability

Performance targets not measurable and specific

21. The National Treasury FMPPI requires that performance targets be measurable and specific in clearly identifying the nature and required level of performance. A total of 23% of the targets could not be measured and were not specific in clearly identifying the nature and the required level of performance. Management was aware of the requirements of the FMPPI but neglected to apply all these principles. This is due to inadequate quality control processes in place for setting specific and measurable targets.

Performance indicators not well defined and verifiable

22. The National Treasury FMPPI requires that indicators should have clear unambiguous data definitions so that data is collected consistently and is easy to understand and use. In addition, it must be possible to validate the processes and systems that produce the indicator. A total of 23% of the indicators were not well defined as clear, unambiguous data definitions were not available to allow for data to be collected consistently. Furthermore, the indicators were not verifiable as valid processes and systems that produce the information on actual performance did not exist. This was due to inadequate quality controls to ensure that the indicators were well defined and verifiable.

Reliability of information

Development priority 2: Energy and electricity, and Development priority 4: Water and sanitation

23. The National Treasury FMPPI requires that institutions should have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets with respect to Development priority 2: Energy and electricity, and Development priority 4: Water and sanitation are not reliable when compared to the source information and evidence provided. This was due to management using the same source documentation to measure and report different indicators and targets.

Additional matters

24. I draw attention to the matters below. These matters do not have an impact on the predetermined objectives audit findings reported above.

Achievement of planned targets

25. Of the 134 targets planned for the year, 64 (48%) were not achieved during the year under review. This was a result of the municipality not considering the requirements of the National Treasury FMPPI during the annual strategic planning process and a lack of in-year monitoring of actual against planned targets.

Material adjustments to the performance report

26. Material audit adjustments in the annual performance report were identified during the audit, some of which were corrected by management. Those that were not corrected have been reported above.

Compliance with laws and regulations

27. I performed procedures to obtain evidence that the entity had complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations, as set out in the general notice issued in terms of the PAA, are as follows:

Strategic planning and performance management

28. The municipality's performance management system was not in line with the priorities, objectives, indicators and targets contained in its integrated development plan (IDP) and did not provide for procedures by which the system is linked to the municipality's integrated development planning processes, as required by section 38(a) of the Municipal Systems Act (MSA) and Local Government: Municipal Planning and Performance Management Regulation 7(2)(e).

29. The municipality did not have and maintain effective, efficient and transparent systems of financial and risk management and internal controls, as required by section 62(1)(c)(i) of the MFMA relating to reporting on predetermined objectives.

Annual consolidated and separate financial statements and annual reports

30. The consolidated and separate financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of non-current assets, current liabilities, current assets, revenue and disclosure items identified by the auditors in the consolidated and separate financial statements were subsequently corrected and the supporting records were provided, but the uncorrected material misstatements and supporting records that could not be provided resulted in the consolidated and separate financial statements receiving a qualified audit opinion.

31. The oversight report, containing comments on the annual report, was not adopted by council within two months from the date on which the 2011-12 annual report was tabled, as required by section 129(1) of the MFMA.

Procurement and contract management

32. Goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, as required by Municipal Supply Chain Management (SCM) regulation 17(a) & (c)4.

33. The performance of contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.

34. The contract performance and monitoring measures and methods were insufficient to ensure effective contract management, as required by section 116(2)(c) of the MFMA.

35. Sufficient appropriate audit evidence could not be obtained that contracts and quotations were only awarded to and accepted from bidders who submitted a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).

36. Awards were made to providers whose directors or principal shareholders are in the service of other state institutions, in contravention of MFMA 112(j) and SCM regulation 44.

37. Measures to combat the abuse of the SCM system were not implemented as per the requirements of SCM regulation 38(1), as declarations of interest were not submitted to assess whether awards were not made to providers who:

    - during the last five years, had failed to perform satisfactorily on a previous contract with the municipality or municipal entity or other organ of state;
    - committed a corrupt or fraudulent act in competing for the contract;
    - abused the SCM system of the municipality;
    - had been convicted of fraud or corruption during the past five years.

Human resource management

38. The municipality did not develop and adopt appropriate systems, policies and procedures to monitor, measure and evaluate performance of staff in contravention of the MSA, section 67(d).

39. The municipal manager and senior managers directly accountable to the municipal manager did not sign performance agreements within one month after the beginning of the financial year, as required by section 57(2)(a) MSA.

Expenditure management

40. Money owing by the municipality was not always paid within 30 days or an agreed period, as required by section 65(2) (e)of the MFMA.

41. An effective system of expenditure control, including procedures for the withdrawal and payment of funds, was not in place, as required by section 65(2)(a) of the MFMA, as evidenced by inadequate controls around electronic funds transfer.

42. An adequate management, accounting and information system which accounted for creditors and payments made was not in place, as required by section 65(2)(b) of the MFMA.

43. Reasonable steps were not effectively taken to prevent irregular, fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.

Revenue management

44. An adequate management, accounting and information system which accounts for revenue, debtors and receipts of revenue was not in place as revenue was not consistently recognised when it is earned, as required by section 64(2)(e) of the MFMA.

45. An effective system of internal control for revenue was not in place as revenue was not consistently recognised when it is earned, as required by section 64(2)(f) of the MFMA.

Asset management

46. An adequate management, accounting and information system which accounts for electrical assets and municipal properties was not in place, as required by section 63(2)(a) of the MFMA.

47. An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA, as evidenced by the numerous findings on property, plant and equipment.

Consequences management

48. The municipality did not comply with the requirements of section 32 of the MFMA regarding the following:

    - Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure.
    - The municipality did not adequately follow-up on Council and Municipal Public Accounts Committee (MPAC) reports which determine whether any person is liable for fruitless and wasteful expenditure incurred, resulting in action not being taken to recover such funds.
    - Council reports in which an assessment is made regarding the recoverability of the irregular and fruitless and wasteful expenditure was not produced.

Internal control

49. I considered internal control relevant to my audit of the consolidated and separate financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the basis for qualified opinion, the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

50. Leadership did not consistently implement processes to verify the credibility of in-year reports, thus not setting the correct tone and enabling efficient and effective oversight during the year.

51. There was a lack of integration and alignment within the municipality, as the different directorates planned, worked and reported in isolation. This had a negative impact on the performance of the municipality and its ability to prepare financial statements and an annual performance report that are free of misstatements.

52. Leadership has not sufficiently addressed the challenges faced by the municipality's SCM .This is as a result of inadequate capacity within the unit, which is further aggravated by poor planning by the different directorates within the municipality. This was evidenced by the irregular expenditure incurred and the amount by which the budget was underspent.

53. Top and middle management positions are vacant for extended periods of time. The continued absence of permanent officials to lead and guide the municipality compromises the effectiveness of the control environment.

Financial and performance management

54. The municipality did not consistently implement and monitor the required daily and monthly financial and performance disciplines to ensure that transactions were appropriately recorded and reported, as required by the financial and performance reporting frameworks. The lack of financial discipline and monitoring during the financial year resulted in key reconciliations and processing only being performed after the financial year-end. If not appropriately addressed by the municipality, this can impact the sustainability of the reported opinion.

55. There was a lack of processes in place to ensure compliance with laws and regulations. As a result, management did not effectively monitor and address areas of non-compliance.

Governance

56. A risk assessment was conducted by the municipality, however risks identified within this assessment were not appropriately addressed with the required mitigating controls.

57. The recommendations of the audit committee and internal audit are not adequately implemented by management with the result that identified deficiencies are not addressed within the control environment.

REPORTS

Investigations

58. Three investigations are currently being conducted into allegations of fraud, favouritism, unfair practices and failure to comply with SCM requirements. These investigations were ongoing at the reporting date.

Auditor - General

East London

6 December 2013

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Chapter 6

Delete Directive note once comment is completed - Provide comments from the Municipal Manager / CFO on the Auditor-General's opinion. Include comments on 2012/2013 if it provides useful context.

T 6.2.4

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief Financial Officer)..... 30/8/2013 ..... Dated

T 6.2.5

GLOSSARY

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give *"full and regular"* reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe *"what we do"*.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	Service delivery & infrastructure Economic development Municipal transformation and institutional development Financial viability and management Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to

GLOSSARY

	which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: *a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and* *b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned*

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	**Full Time / Part Time FT/PT**	**Committees Allocated**	***Ward and/ or Party Represented**	**Percentage Council Meetings Attendance**	**Percentage Apologies for non-attendance**
				%	%
L.E. Simon (Speaker)	FT	Council	ANC	83	8
Z.V. Ncitha (Executive Mayor)	FT	Metropolitan Mayoral Committee	ANC	96	0
T. Tinta (Deputy Executive Mayor)	FT	Metropolitan Mayoral Committee IDP & Organisational Performance Management Portfolio Committee	ANC	13	0
S.T. Matwele (Chief of Council)	FT	Metropolitan Mayoral Committee IDP & Organisational Performance Management Portfolio Committee	ANC	92	8
J.H. Badenhorst	FT	Metropolitan Mayoral Committee Finance Portfolio Committee	ANC	100	0
N. Mgezi	FT	Metropolitan Mayoral Committee Development Programmes and Projects Portfolio Committee	ANC	83	17
P. Nazo	FT	Metropolitan Mayoral Committee Economic Development & Agencies Portfolio Committee	ANC	71	25
N. Ngesi	FT	Metropolitan Mayoral Committee Community Services Portfolio Committee	ANC	79	13
A. Peter	FT	Metropolitan Mayoral Committee Institutional Operations & Civic Relations Portfolio Committee	ANC	79	13
R. Rwexu	FT	Metropolitan Mayoral Committee Health & Public Safety Portfolio Committee	ANC	83	17
M. Sam	FT	Metropolitan Mayoral Committee Development Planning & Management Portfolio Committee	ANC	83	13
T. Zantsi	FT	Metropolitan Mayoral Committee Support Services Portfolio Committee	ANC	96	4
Angelbeck, R.E.	PT	Support Services Portfolio Committee	DA	58	38

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	%
Bakawuli, Z.	PT	Health & Public Safety Portfolio Committee, IDP& Organisational Performance Management Portfolio Committee	DA	92	4
Barnard, W.M.	PT	Community Services Portfolio Committee	DA	92	0
Bentley, S.E.	PT	Institutional Operations & Civic Relations Portfolio Committee	DA	88	8
Bingwa, T.	PT	Economic Development & Agencies Portfolio Committee	DA	96	0
Booi, B.S.	PT	Community Services Portfolio Committee, IDP& Organisational Performance Management Portfolio Committee	ANC	83	13
Bopi, M.	PT	IDP& Organisational Performance Management Portfolio Committee	ANC	100	0
Botha, J.P.J.	PT	Infrastructure Planning & Services Portfolio Committee	DA	88	13
Boy, M.M.	PT	Development Planning & Management Portfolio Committee	ANC	46	8
Brauns, E.I.	PT	Development Programmes & Projects Portfolio Committee	DA	100	0
Caga, S.W.	PT	Development Planning & Management Portfolio Committee	ANC	83	13
Cakata, X.C.	PT	Community Services Portfolio Committee Institutional Operations & Civic Relations Portfolio Committee	ANC	92	4
Diko, V.A.	PT	Health & Public Safety Portfolio Committee	ANC	88	8
Dondashe, M.A.	PT	Development Planning & Management Portfolio Committee, Support Services Portfolio Committee	ANC	100	0
Esbend, J.S.M.	PT	Development Programmes & Projects Portfolio Committee, Support Services Portfolio Committee	ANC	96	4
Fritz, T.F.	PT	Infrastructure Planning & Services Portfolio Committee	DA	92	8
Gajula, Z.	PT	Infrastructure Planning & Services Portfolio Committee	ANC	75	17
Gomba, S.G.	PT	IDP& Organisational Performance Management Portfolio Committee	ANC	79	21
Green, J.D.	PT	Development Programmes & Projects Portfolio Committee	DA	96	0
Jabavu, S.	PT	Support Services Portfolio Committee	ANC	75	17
Jida, B.T.	PT	Municipal Public Accounts Committee	ANC	96	4

APPENDICES

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	%
Kashe, A.	PT	IDP& Organisational Performance Management Portfolio Committee	COPE	88	17
Madikane, S.P.	PT	Finance Portfolio Committee	ANC	96	0
Madonono, N.G.	FT	Municipal Public Accounts Committee	ANC	88	8
Magaqa, S.	PT	Development Programmes & Projects Portfolio Committee	DA	67	29
Mahodi, M.N.	PT	Development Programmes & Projects Portfolio Committee, Institutional Operations & Civic Relations Portfolio Committee	ANC	88	8
Makapela-Pakade, N.I.	PT	Health & Public Safety Portfolio Committee	ANC	88	13
Manciya, S.	PT	Support Services Portfolio Committee	DA	67	21
Maninjwa, D.B.	PT		ANC	42	0
Mankahlana, T.S.	PT	Development Programmes & Projects Portfolio Committee	ANC	100	0
Maphuka, S.	PT	Health & Public Safety Portfolio Committee	ANC	96	0
Mapisa, A.	PT	Health & Public Safety Portfolio Committee	ANC	96	4
Maqidlana, N.E.	PT	Health & Public Safety Portfolio Committee Institutional Operations & Civic Relations Portfolio Committee	COPE	96	4
Marata, M.N.	PT	Community Services Portfolio Committee	ANC	88	13
Marwanqa, G.N.	PT	Development Planning & Management Portfolio Committee	ANC	96	4
Matana, Z.P.	PT	Institutional Operations & Civic Relations Portfolio Committee	ANC	75	25
Mateke, M.J.	PT	Community Services Portfolio Committee	ANC	100	0
May, R.N.	PT	Support Services Portfolio Committee	ANC	88	8
Mbinqo, V.D.	PT	Development Programmes & Projects Portfolio Committee	ANC	88	8
Mdyolo, J.	PT	Municipal Public Accounts Committee	PAC	88	13
Mekane, N.	PT	Municipal Public Accounts Committee	ANC	92	4
Mentoor, L.J.	PT	Institutional Operations & Civic Relations Portfolio Committee	ANC	100	0
Mhlola, N.M.	PT	Infrastructure Planning & Services Portfolio Committee	ANC	88	8
Mileham, K.J.	PT	Finance Portfolio Committee	DA	79	13
Mlenze, M.	PT	Infrastructure Planning & Services Portfolio Committee	ANC	58	33

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	%
Morolong-Yekiso, M.C.	PT	Economic Development & Agencies Portfolio Committee	ANC	63	29
Mpanza, V.E.	PT	IDP & Organisational Performance Management Portfolio Committee	ANC	100	0
Mpathalala, N.E.	PT	Infrastructure Planning & Services Portfolio Committee	ANC	92	8
Mpupusi, R.K.	PT	Economic Development & Agencies Portfolio Committee	ANC	88	8
Mtintsilana, T.C.	PT	Municipal Public Accounts Committee	ANC	100	0
Mtyingizane, Z.	PT	IDP & Organisational Performance Management Portfolio Committee	ANC	92	8
Muzzell, R.K.	PT	Finance Portfolio Committee	DA	83	13
Mxabanisi-Gakrishe, C.	PT	Finance Portfolio Committee Institutional Operations & Civic Relations Portfolio Committee	ANC	96	4
Mzayifani, T.D.	PT	Development Planning & Management Portfolio Committee	ANC	92	4
Naicker, P.	PT	Finance Portfolio Committee	ANC	96	4
Ndevu, S.E.	PT	Support Services Portfolio Committee	ANC	88	13
Neale-May, H.	PT		ANC	88	4
Nell, M.S.	PT	Support Services Portfolio Committee	ANC	92	8
Ngabayena, M.L.	PT	Finance Portfolio Committee	ANC	96	4
Ngcaba, M.T.	PT	Economic Development & Agencies Portfolio Committee	ANC	79	13
Ngojo, M.A.	PT	Development Planning & Management Portfolio Committee, Economic Development & Agencies	ANC	79	8
Ngqayimbana, T.	PT	Institutional Operations & Civic Relations Portfolio Committee	AIC	96	4
Nkula, M.G.	PT	Economic Development & Agencies Portfolio Committee	ANC	88	13
Norexe, G.T.	PT	Development Programmes & Projects Portfolio Committee	ANC	92	8
Ntame, O.	PT	Finance Portfolio Committee	DA	88	13
Ntozini, W.I.	PT	Community Services Portfolio Committee, Health & Public Safety Portfolio Committee	DA	88	13
Otola, N.D.	PT	Community Services Portfolio Committee	ANC	92	8
Peter, N.P.	PT	Municipal Public Accounts Committee	ANC	88	4

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
				%	%
Peter, V.	PT	Economic Development & Agencies Portfolio Committee, Infrastructure Planning & Services Portfolio Committee	ANC	63	17
Poni, P.	PT	Development Planning & Management Portfolio Committee	PAC	71	29
Quse, L.M.	PT	Municipal Public Accounts Committee	ACDP	92	0
Rademeyer, A.	PT	Health & Public Safety Portfolio Committee	DA	58	42
Sakube, V.V.	PT	Development Planning & Management Portfolio Committee	ANC	79	8
Samana, X.L.	PT	Infrastructure Planning & Services Portfolio Committee, Support Services Portfolio Committee	ANC	83	17
Skolo, S.	PT	Municipal Public Accounts Committee	ANC	92	4
Smit, J.F.	PT	Municipal Public Accounts Committee	DA	96	4
Thiele, R.H.	PT	Development Planning & Management Portfolio Committee, Economic Development & Agencies	DA	63	38
Thompson, I.	PT	Community Services Portfolio Committee	DA	92	8
Tokwe, V.	PT	Development Programmes & Projects Portfolio Committee	ANC	100	0
Tokwe, Z.P.W.	PT	Community Services Portfolio Committee	ANC	96	0
Twalingca, K.B.	PT	Municipal Public Accounts Committee	COPE	83	17
Tyilo, E.S.	PT	Finance Portfolio Committee	ANC	96	4
Vaaiboom, M.	PT	Health & Public Safety Portfolio Committee	ANC	92	4
Vallabh, D.	PT	Institutional Operations & Civic Relations Portfolio Committee	DA	83	17
Vika, B.	PT	Finance Portfolio Committee	ANC	92	4
Vika, L.	PT	Infrastructure Planning & Services Portfolio Committee	ANC	83	8
Weyer, L.C.	PT	Municipal Public Accounts Committee	DA	71	25
Yenana, P.P.	PT	IDP & Organisational Performance Management Portfolio Committee	ANC	88	13
Zantsi, T.T.	PT	Support Services Portfolio Committee	ANC	96	4
*Note: * Councillors appointed on a proportional basis do not have wards allocated to them*					*T A*

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees

Municipal Committees	Purpose of Committee
SUPPORT SERVICES PORTFOLIO COMMITTEE	To consider and to make recommendations to the Council on the measures necessary including inter alia the following – Industrial relations matters, including to investigate questions relating to job evaluations and the submission thereof to the Industrial Council and to consider measures relating to Conciliation Boards and Industrial Court hearings Manpower planning Recruitment, selection, remuneration, utilization and development of staff; Occupational Health and Safety and Industrial Health services; Productivity in the municipal workforce Training and staff development; Employment equity and skills development Employee performance; Information and technology support services; Contract management and negotiations in respect of salary increases and fringe benefits; Measures required in respect of the avoidance of strike and other conflict actions; Policy regarding the appointment of Directors, General Managers and Heads of Departments and confirmation of their appointments; and Facilities management.
INSTITUTIONAL OPERATIONS AND CIVIC RELATIONS PORTFOLIO COMMITTEE	To make recommendations to the Executive Mayor pertaining to the formulation of policies, strategies and programmes aimed at increasing equity for vulnerable, marginalized or special interest groups, with specific focus on: Young people, the aged, the disabled, gender-related issues, special projects.
COMMUNITY SERVICES PORTFOLIO COMMITTEE	To consider and make recommendations to the Mayoral Committee on in respect of all environmental services matters as provided for in any relevant legislation and all community matters; to consider all matters under the control of the Director of Community Services, including inter alia the following – Childcare facilities; Pontoons, ferries, jetties, piers and harbours [excluding the regulation of international and national shipping and matters related thereto]; Beaches and amusement facilities; Cemeteries, funeral parlours and crematoria; Fencing and fences; Local amenities; Local sports facilities Municipal parks and recreation Public places; Horticulture; Libraries; Halls; and Community Support Centres.

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	**Purpose of Committee**
FINANCE PORTFOLIO COMMITTEE	To formulate recommendations to the Executive Mayor (Mayoral Committee) on financial matters. As an Operational Committee the scope of these financial matters would include considerations of the financial position of Council in terms of the budget from an accrual as well as a cash flow perspective, including inter alia the following - Budget alignment; Monitoring and budget implementation; Control measures Financial reporting; Budget management including revenue and expenditure management; Capital raising; and Supply Chain management.
BUDGET ACTIONS OF THE FINANCE COMMITTEE	The Finance Budget Committee will fulfil the following Operational functions. Budget Management Revenue (Including Tariffs Expenditure) In-year Financial Reporting Control Measures of Budget Implementation Monitoring and Budget Progress Budget Implementation It must be emphasized that the interface with the IDP, Budget Strategy and Performance Management Committee is central to the achievement of delivery objectives and must be closely monitored
HEALTH AND PUBLIC SAFETY PORTFOLIO COMMITTEE	To consider and make recommendations to the Mayoral Committee on all health and public safety matters of the Metropolitan Municipality including inter alia the following – Air pollution; Firefighting services; Municipal health services; Trading regulations; Control of public nuisances; Control of undertakings that sell liquor to the public; Facilities for the accommodation, care and burial of animals; Licensing of dogs; Licensing and control of undertakings that sell food to the public; Municipal abattoirs; Noise pollution; Street trading; Traffic and parking; and Disaster management.

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	**Purpose of Committee**
PUBLIC HEALTH AND SAFETY PORTFOLIO COMMITTEE	To consider and make recommendations to the Executive Mayor's meeting and the Council in respect of all environmental health services matters as provided for in any relevant legislation, including inter alia the following:- Air pollution Building regulations Fire fighting services Municipal Health Services Trading regulations Control of public nuisances Control of undertakings that sell liquor to the public (Note : BCMM may be involved herein to a certain degree) Facilities for the accommodation, care and burial of animals(Note : BCMM may be involved herein to a certain degree) Licensing of dogs Licensing and control of undertaking that sell food to the public Municipal abattoirs Noise pollution Pounds;(Note : BCMM may be involved herein to a certain degree) Street trading and Traffic and parking
DEVELOPMENT PLANNING AND MANAGEMENT PORTFOLIO COMMITTEE	To make recommendations to the Mayoral Committee and Council on transportation, town and regional planning, architectural, land survey and land administration matters allocated to it and to report and make recommendations thereon to the Council and to investigate strategic land and property use, including inter alia the following – Building regulations and control Municipal planning Billboards and the display of advertisements in public places Spatial planning, Spatial Development Frameworks and precinct plans Architectural services GIS Mapping Regional / District/ Precinct management Spatial norms and standards enforcement Land use management Property management Municipal valuations

APPENDICES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	**Purpose of Committee**
INFRASTRUCTURE PLANNING AND SERVICES PORTFOLIO COMMITTEE	To consider and to make recommendations on all matters affecting the civil engineering and electrical infrastructure, associated designs and mechanical and scientific services , including inter alia the following – Air pollution; Electricity and gas reticulation; Municipal airports; Municipal public works Storm water management systems; Water and sanitation services limited to potable water supply systems and domestic waste water and sewage disposal Municipal public transport systems; Cleansing; Municipal roads; Refuse removal, refuse dumps and solid waste disposal; Street lighting; and Traffic and parking Fleet management and maintenance Scientific services Built environment with the exception of town planning building control
IDP AND OPERATIONAL PERFORMANCE MANAGEMENT PORTFOLIO COMMITTEE	To oversee on behalf of the Executive Mayor the process of integrated development planning (strategic planning) in Buffalo City, including annual reviews of the IDP, and to make recommendations to the Executive Mayor in this regard in terms of chapter 5 of the Municipal Systems Act and section 56 of the Municipal Structures Act.
ECONOMIC DEVELOPMENT AND AGENCIES PORTFOLIO COMMITTEE	To assist the Executive Mayor in ensuring that the economic development including rural development of the whole community of Buffalo City is promoted (sections 152 & 153 of the Constitution), including inter alia the following:- Facilitate job creation Promote the development of small, medium and micro-enterprises Market the municipality holistically Promote and facilitate rural development Arts and culture and Heritage Activities Municipal public transport Street trading
DEVELOPMENT PROGRAMMES AND PROJECTS PORTFOLIO COMMITTEE	To make recommendations to the Mayoral Committee and Council on housing matters allocated to it and to report and make recommendations thereon to the Council and to investigate strategic use of housing resources. To consider and make recommendations to the Mayoral Committee pertaining to the formulation of policies, strategies and programmes aimed at increasing equity for vulnerable, marginalized or special interest groups, with specific focus on: Young people and children The aged The disabled, and Gender-related issues and HIV / AIDS
SOCIAL FACILITATION	To consider Councillors welfare and matters related thereto

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	**Purpose of Committee**
COMMITTEE	
MUNICIPAL PUBLIC ACCOUNTS COMMITTEE	The purpose of the Municipal Public Accounts Committee is to strengthen the oversight arrangements in the municipality and to ensure the efficient and effective use of municipal resources. Consider and evaluate the content of the annual report and make recommendations to Council when adopting an oversight report on the annual report as required in terms of section 121 of the Local Government: Municipal Finance management Act and Circular no 32 issued by the Minister of Finance
AUDIT COMMITTEE	The primary purpose of the Audit Committee is to assist the Council discharge its responsibility in maintaining and applying appropriate accounting and financial reporting processes and procedures as well as maintaining effective risk management and internal controls.
REMUNERATION COMMITTEE	To examine information provided to the Committee dealing with the total remuneration package of all Section 57 Managers including the City Manager.
RULES COMMITTEE	To determine the standing rules and orders of procedure for the Council.

APPENDICES

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

See T2.2.2

APPENDICES

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

BCMM has only one entity, namely Buffalo City Development Agency. This agency was not operational during the period under review.

APPENDIX E – WARD REPORTING

Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes/No)	Number of monthly committee meetings held during the year	Number of reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1	CLLR MONGEZI NGCABA	Yes	3		2
	KOLONZA JANIWE				
	CALVERLY ALICE				
	SHEURE BENJAMIN				
	NKATA MZUVUKILE N.				
	MTSHAMBELA BUSISIWE				
	FRAYSER LORETTA				
	TSHOTO ZUKISANI				
	MABENTSELA NOMSA P.				
	NIKANI THEMBINKOSI L.				
2	CLLR MLANDELI MATEKE	Yes	5		4
	LUKALO UNATHI				
	MOYENI FUNDISWA				
	JAJI PUTUMA G.				
	MDINGI SIPHIWO				
	GOBOZI BULELWA				
	KOMSANA DUMISANI				
	SIKUNANA OLGA				
	YASE ZUKISWA MAVIS				
	SHIYANI SIVUYILE				
	GOBOZI NOMAWETHU F.				
3	CLLR BRIAN MANCIYA	Yes	3		0
	STOFILE CHARNELLE e.				
	TOLE VATISWA				
	TOM CATHERINE				
	MDINGI THOZAMA				
	TSHEVU SHEILLA				

Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes/No)	Number of monthly committee meetings held during the year	Number of reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	MAROLA ZUKISA				
	KOMANISI SABELO				
	MDINWA FRANCIS Z.				
	JIBA PRUNDENCE				
4	CLLR ROWAN THIELE	Yes	7		1
	MXUNYELWA SIYABONGA				
	NAYLOR WINSTON				
	KEIL BERYL				
	BADENHORST KATHIE				
	KAREN BREETZKE				
	SUSAN ELIZABETH CLASSEN				
	POSTHUMUS JAMES				
	VERMAAK WENDY				
	SKYE HEUER				
	CORNELIUS FREDERICKS ERASMUS				
5	CLLR ZANDISILE TOKWE	Yes	4		1
	JALI MKULULEKI				
	PHANDLE THEMBISA L.				
	MALGAS NTOBEKO TERRY				
	FULELA NOKUZOLA C.				
	KWEZA NAMBITHA R.				
	SITAMA ZANDISILE				
	MFULATHELWA VUYISA				
	MSUTU BONGIWE LIYEMA				
	NIKELO BUHLE				
	NDALISO M				
6	CLLR DAVID MBINQO	Yes	4		2
	MNAMATHELI TONICA				
	NTSOKOMA SITHEMBELE				
	SAUNDERS CHARMAINE				
	XANDA L. VUYOKAZI				
	NGXAVULANA NONZAME B.				
	KWAYIBA ZUKISANI				
	NYANISILE MORRIS				
	BOOI SABELO				

Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes/No)	Number of monthly committee meetings held during the year	Number of reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	FRASER RUAAN				
	BUYANE NONZINGISO				
7	CLLR CLARA YEKISO	Yes	6		4
	NONGOGO MICHEAL L.				
	GQOKOZA LINDIWE				
	MBEME NODOMO CHRISTINA				
	JAM - JAM MATU				
	BAMLA THEMBELA				
	MZANYWA NOMALANGA				
	MQOJI MASIBULELE				
	BAMLA SIBONGISENI				
	DUMILE NOMVULO				
	MOMENI SIYA JUNIOR				
8	CLLR AYANDA MAPISA	Yes	4		2
	SAM VUYO MALCOM				
	MAFANYA TABISA				
	NGAMNTWINI ISAAC				
	DWANE LUNGILE				
	SANI LIVENI				
	TYESI NOMBONISO				
	QAMRA NOSISANA A.				
	KONDLO NOMTHANDAZO				
	SALMAN LUDUMO				
9	CLLR NOZANDILE MHLOLA	Yes	3		2
	TIYO PHUMELELA D.				
	KLAAS EMILY NODUMO				
	TYWAKADI NOLUBABALO				
	NONDALA LAMLA PENNELOPE				
	MBEKI MZWANDILE DAVID				
	DYALIVANE MAWETHU				
	MABUSELA PUMEZO				
	MENJENJALO NOLOLI				
	VANI DLAKI MELVIN				
	NGCAYICHIBI NOMHLE				
10	CLLR BRAUNS	Yes	3		0
	PETERSON BRENDA				

Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes/No)	Number of monthly committee meetings held during the year	Number of reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	JANTJIES CECELIA				
	GQATE SIMPHIWE				
	HANSEN PEARL				
	MBEWANA LWAZI				
	VITBOOI ROSELINE				
	NGOXO XOLELANI OSBORN				
	LABANS ERNEST EDWARD				
	GANATI THEMBALETHU				
	WEIMERS ROSY				
11	CLLR CAGA	Yes	1		1
	TUKUTE NDIMPHIWE				
	TSHUME THOBEKA				
	MBAMBALALA NONZALISEKO				
	SAMBANE NTOMBIYAKHE				
	STEMELA C. NOZUKO				
	DYANTYI BONGANI				
	RUBU THAMIE MAXWELL				
	MBOLEKWA ASANDA				
	XATALAZE XOLELWA DONNA				
	SAM XOLISWA				
12	CLLR LANDILE VIKA	Yes	2		0
	GQUGE THANDO KAIZER				
	MGOBO THEMBEKILE				
	NELANI NOMNIKELO				
	TOBA XOLA				
	TSEWU FUNEKA THEODORA				
	MBESE AYANDA				
	MAYIYANA WELCOME				
	MALI TOZAMA				
	BOOI LULAMA				
13	CLLR NCUMISA MEKANE	Yes	4		2
	NQANQASE NOSIPHIWO SHIRLEY				
	NONDZABA NOMBULELO				

Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes/No)	Number of monthly committee meetings held during the year	Number of reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	SIGOBELWANA VIRGINIA				
	TINI PHILA				
	DANISO SIZIWE IRIS				
	SANDLANA ZANDISILE HECTOR				
	LOBI PHUMZA				
	M. J. OLIPHANT				
	HENNA THANDISIZWE				
	MASEBENI DANISWA				
14	CLLR ZININZI MTYINGIZANE	Yes	2		2
	NGEMNTU NANDIPHA				
	RANI SAMORA				
	NAKO NONTSIKELELO				
	NGESI SIBONGILE TERENCE				
	PETER NOTHEMBA				
	XOLA VUYOKAZI				
	MFANINYE NOMVUYO				
	FAZI NTOMBIZANELE				
	GEORGE THABISA PRETTY				
	MAHUWA PADRONA				
15	CLLR DINESH VALLABH	Yes	3		2
	CHIBBA SHAMIN				
	APLENI LWAZI				
	MAKHEBESANA FELIX				
	MNTUMNI THANDIWE				
	MANDLA NOSIMO				
	NTSONGELWA FEZEKA C.				
	MBUTI LINDELWA				
	NDIMA NONTOBEKO				
16	CLLR MONWABISI MAHODI	Yes	5		1
	MPITIMPITI NONDUMISO				
	KELEWU JACKSON				
	QALI NTSIKA				
	NDUKU MAVIS				
	YAPI MNCEDISI				
	MTENDENI KHOLEKA				
	NDIKI NOMALINDE				

Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes/No)	Number of monthly committee meetings held during the year	Number of reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	WILLIAMS PATRICIA				
	MAFOLA MADODA				
	MAYOYO VUYANI				
17	CLLR PUMLA YENANA	Yes	2		2
	FALI ZUKO				
	MPENDU LULAMA P.				
	LELE THANDUXOLO				
	DELMAN NOMZAMO DUDU				
	MGXOTHENI BUYISWA				
	BOSMAN VERONICA				
	DAVID NOLUVUYO				
	VASINI NOMBULELO				
	BAWANA SIPHO				
	MONDO THEMBISA				
18	CLLR ISABEL THOMPSON	Yes	6		4
	BUTI MELIKHAYA				
	WEBB DILLON				
	VAN SCHELTEMA GERHARD				
	KAULELA PAMELLA				
	MACWILI LINDIWE				
	MNCUBE NWABISA				
	CARTER ALAN				
	NEITHERCUT ROSEMARIE				
	CORRIGAN S				
	CUNNINHAM WH				
19	CLLR DERREK GREEEN	Yes	3		0
	DU PLESSIS VALDA				
	NNADI NOPINKIE				
	JEGELS JANEY				
	BANJATIWE SITHEMBELE				
	SITELA LUZUKO				
	KILANI NOKWAYINTOMBI				
	MULLER JOHN				
	MVAMBI SDUDLA				
20	CLLR MADIKANE	YES	4		4
	DINGELA SIPHOKAZI				
	SIMATU SIMO				

Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes/No)	Number of monthly committee meetings held during the year	Number of reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	FUMANISI SONWABO				
	MSIMANG GEORGE				
	NJOMBOLWANA PATISWA				
	GOLA MABELANDILE				
	QHINA VUKILE				
	GEDI VIWE				
	BUKUBUKWANA NTOMBEKHAYA				
	NDAMASE NOMALADY				
21	CLLR NGABAYENA	YES	6		2
	MAKHONJWA S.				
	GCAWU MPUMELELO				
	MQULO MIMI				
	NOBATANA NANDIPHA				
	JONAS PHINDILE				
	MAPUKATA ZOLILE				
	KATYI ZOLEKA				
	MANANA BAYIBILE				
	NYAMANI NONTSIKELELO				
	SITYEBI NOPOLOLO GLADES				
22	CCcllr CLLR PHAKADE	Yes	4		1
	MKHONJWA NKOSOHLANGA				
	BOSMAN FLORENCE				
	BAQO ENOCH				
	XHELISILO PRIVILLEGE				
	GWAYI THEMBELANI				
	NTSOKWANA SIBONGISENI				
	HOBO DOREEN				
	GOMBA LAMLA				
	MBAMBISA VUYELWA				
	TYETE FUZILE				
23	CLLR SAKUBE	YES	4		4
	QAMARANA YOLISWA				
	MADONDILE ZOLILE				
	MRAJI NOMJIKELO				
	MQHAYI NDIKHO				
	PHATO VUYISILE				
	BENTSHU NOMAWETHU				
	TSHAKA MPHO				

Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes/No)	Number of monthly committee meetings held during the year	Number of reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	MELUDE ANDILE				
	TSHOTYANA SITHEMBELE				
	MTIYA NOMFUNDO				
24	CLLR ZAMEKA GAJULA	YES	6		4
	MLOTA PHUMLA				
	BESETI MLAMLI MICHAEL				
	ZONDANI SEPTEMBER				
	MJELO RANDELL				
	MAPUKO FANISWA SAMANTHA				
	MAKOBA VUYOKAZI				
	MBOMBELA NOSAKHELE				
	SIMAYA CONSTANCE				
	MANDINDI ZOLANI				
	BOOI SABELO				
25	CLLR GARISHE	YES	0		2
	TSHAKA NOXOLO MAUREEN				
	MZAZA MZUVUKILE				
	MELANE BRYCINAH				
	MONDLEKI PHUMLANI				
	PONI THEMBINKOSI ERIC				
	KOLELA MTHETHELELI CROSBY				
	MOTLABANE – MABECE NOMANDITHINI IRENE				
	NDABENI ZANDILE THELMA				
26	CLLR MARATA	YES	7		2
	NOKOYO NOMBASA				
	KILANI NONTSIKELELO				
	MNANA MHLELI				
	MFENE MHLOPHE				
	JIBUKWANA NTOMBOMZI				
	DOSI THANDISWA PUELLA				
	NJOKWENI NZIMENI T.				
	WEXU NOCAWE				

Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes/No)	Number of monthly committee meetings held during the year	Number of reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	MATAKANE NOLUVUYO				
	QAZE NONCEBA				
27	CLLR ROY ANGELBECK	YES	6		1
	MYBURGH ANTON				
	MATELISE THEMBISILE				
	BEZUIDENHOUST MARIUS				
	NEL DELEEN				
	OELOFSE JOHAN				
	REX JORDAAN				
	LYNN SMIT				
	MARION MACKLE				
	FIELD MARGIE				
	SEADY COURLEY JENN				
28	CLLR CAKATA	YES	2		
	MADWABI SICELO S.				
	NDAMANE BUYISILE W.				
	DALASILE SIKO				
	MTAMZELI ROBERT MAFANAVELE				
	JANDA JIKILE				
	KAME THEMBA DONALD				
	BARBOUR STAN				
	NCAZA NOSIFINGO VICTORIA				
	TOLBADI LINDEKA				
29	CLLR MAKHAYA BOPI	YES	5		1
	NGEMNTU ZINZISWA				
	SITYOTYO NONKOLELO				
	MSHWESHWE FUNDISWA				
	NOTSHOKOVU BONGEKA				
	NGIDI NTOMBEKHAYA				
	TOKWE THANDISWA				
	JIKA-JIKA PHINDILE				
	NKOLOZA NOLUVUYO				
	MSHWESHWE DELISWA				
	MENGEZELELI SIPHO				
30	CLLR MANKAHLANE	YES	3		2
	MVANE ANDISWA				
	MONAKALI-THWAKU NOMHLE				

Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes/No)	Number of monthly committee meetings held during the year	Number of reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	HONI SIYABULELA				
	MNGQIBISA NOMBULELO				
	MLANJANA SIKHUMBUZO M.				
	FALO THOBEKA				
	NCOBO SIPHO				
	MALAHLA MENTYIS				
	MTSHEWU MFUNEKO				
	MQOLOMBENI VUYISWA				
31	CLLR MZWANDILE BOY	YES	3		0
	DINGANI NONDAKUTINI				
	MKOBENI BONISILE DAVID				
	KONYA MXOLISI				
	ZENZILE UNATHI				
	SIMAYILE LIBELE EPHRAIM				
	NOZEWU OTTO M				
	NQWENISO LUNGILE ELLIOT				
	DYASO XOLELWA P.				
	DANGAZELA				
	HLONGWE VUKILE				
32	CLLR VUYANI PETER	YES	3		4
	JONGA MIRRIAM TAMARA				
	NDIBAZA NGWANE MARTIN				
	NDLAKUHLOLA NOMAKHOSI MARGARET				
	KONDLO LUYANDA VALENCIA				
	DYOSIBA ZOLEKA				
	SABANA NTOMBEKHAYA				
	MANANZI MQAPHELI				
	MVANDABA NOMATEMBA				
	NGWANE DIBAZA				
	RANI CONGCWANA				
33	CLLR BATHINI BOOI	YES	4		2

Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes/No)	Number of monthly committee meetings held during the year	Number of reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	MAGXOTWA PHUMZILE				
	MBUYISELO NONKUSEKO GLADYS				
	MONA ALFRED JULY				
	MDIBINI THEMBISILE				
	DAMANE MBUYISELI				
	FELANI YOLISILE				
	MARTIN FEZEKA				
	NINTSHANA NOMEKO				
	SOLWANDLE YOLISWA				
	NELANI PHUTHUMILE				
34	CLLR VUYO TOKWE	YES	3		1
	MAKISI ERIC				
	LUVATSHA ZOLILE				
	DYANTYI NOMBULELO				
	LABI MANDLENKOSI ELLIOT				
	MAKUMSHA NTOMBEKHAYA				
	GELEBE ODWA				
	JAFTA CACISA				
	MBATA SIMPHIWE				
	NDZUNDZU KHOLEKA				
	SAMELA SINDISWA				
35	CLLR SIYABONGA SKOLO	YES	4		2
	TEKO NTOMBOXOLO SYLVIA				
	PHANDLIWE SIMBONGILE				
	HLULANI TOTSHI				
	NKAYI SIVUYILE D.				
	TUTANI ZUKO C.				
	MOYENI NOXOLO P.				
	MAKELENI ZOLEKA				
	SHENXANE AKHILE				
	MGADLA AMANDA				
36	CLLR STHEMBISO TYILO	YES	4		2
	GUNGQA NOMAVA				
	MTYINGWANA MZUPHELELE				
	BOKVELDT NOMBULELO				

Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes/No)	Number of monthly committee meetings held during the year	Number of reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	JOYISI SONWABO				
	MANGWANA ENOCH				
	GOBINGCA SEBENZILE				
	QOZA NONTOMBI				
	MLAHLENI AYANDA				
	MBANGCOLO NOPHUMELELE				
	SAUL NOMVUZO				
37	CLLR NOKUKU MARWANQA	YES	3		3
	MABESI NTOMBIZABANTU				
	JEZILE BATHANDWA				
	GEZAR MZIWAKHE				
	MLAWU QONDISA				
	MGANDELA XOLISWA D.				
	XHOMA NWABISA M.				
	GWARUBE NODUTYWA				
	SMITH MELVIN JAMES				
	MFAMAMA MAKHOSANDILE P.				
	GWARUBE NTABEZINTLE L.				
38	CLLR THEMBISA MZAYIFANI	YES	6		2
	NDLONDLO MONICA NONZAME				
	CELE PHUMLA PRIMROSE				
	ONCEYA NANTOMBI O.				
	NDOTYI NTOMBOMZI LETTICIA				
	MADIKANE NOLUVO				
	NDABAMBI MTSHUTSHISI C.				
	PUKWANA NOMAPHELO				
	SIYO LUVUYO				
	NKWENTSHA NOLUBABALO				
	NOGAGA THEMBALIPHELI				
39	CLLR XOLANI SAMANA	YES	2		2
	YAMANI NOSIPHO				
	FUNDA SIMON				

Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes/No)	Number of monthly committee meetings held during the year	Number of reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	NINZI PHUMZILE				
	YILI MKHULULI				
	SHELENI NZUZO				
	NTAKANI KHANGELWA				
	MANZANA NONDUMISO				
	DIKE THANDEKA				
	YAMANI LUNGISANI				
	VELAPHI ZANELE				
40	CLLR MQONDISO NGOJO	YES	6		4
	MNDI MCOSELELI				
	MITI NONZIMA				
	GABA KHUTALA				
	FUNDANI ZUKO				
	FLEPISI TEMBELANIKUYE				
	NONTSHINGA XOLA				
	XAKA BONGANI				
	ZIDE LULEKA				
	QWELA YOLISA				
	TYATYA OLWETHU				
41	CLLR MTINTSILANA	YES	6		3
	MAYEKISO VUYANI				
	SKEPE SINDISWA				
	GXWALA SIYABONGA				
	FODI NONTEMBISO				
	NANA NOMSA				
	MABEDE SICELO				
	MADLINGOZI PUMLA				
	SOLANI NOWASE P.				
	HLANGANI ANDILE				
	BALENI LUVELELO				
42	CLLR SENDUKA MAPHUKO	YES	5		2
	NTLONGWENI NONDUMISO				
	RALA VUYISWA				
	KONDILE BABALWA				
	TUKUSHE NOLUTHANDO				
	BUSHULA NTOMBIZANELE				
	JOYCE ZIMKHITHA				
	MKOLO LUVUYO				

Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes/No)	Number of monthly committee meetings held during the year	Number of reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	KIVA BONGANI THOMAS				
	BAMLA PHAKAMILE				
	SINOBOLO SIMPHIWE				
43	CLLR MELFORD MLENZE	YES	4		2
	KONDILE NOSIPHO				
	NKENKE LINDELWA				
	MADOSI ZOLA DANSON				
	MJIKELISO MTUTUZELI PROSPER				
	MBAWULE FANISILE				
	GCOBO AYANDA				
	MAKAMBI SIMILO				
	MONI SIBAHLE				
	SAMLA VUYOLWETHU				
44	CLLR LEON MENTOOR	YES	5		3
	BOLWANA NONYAMEKO				
	MABASO BRIAN				
	KONKWANE PATRICK				
	HENDRICKS COLLIN				
	BOOI XOLEKHAYA				
	MFAZWE THOTYELWA				
	MSELENI SANDISO ENOCH				
	MIZE NONTEMBEKO				
	PHILLIP BOTHA				
	KETTLEDAS PHUMLANI V.				
45	CLLR GIDION NOREXE	YES	5		1
	MGANGA YANDISWA				
	NGCENI LINDISWA				
	MAFANGA SINDISWA				
	NTUSHELO MANDILAKHE				
	BANGELO NTOMBISE				
	GOMOMO NOMONDE				
	BATALA SIMPHIWE				
	TSHAKATSHAKA NOBESUTHU				
	WITBOOI KHAYALETHU				
	MBALI ZOVUYO				
46	CLLR NONTSIKELELO PETER	YES	5		3

Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes/No)	Number of monthly committee meetings held during the year	Number of reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	MALOYI SIPHOKAZI				
	NDONDO NOKUZOLA				
	KOPILE AYANDA				
	MKOSANA LUNGAKAZI				
	NJENGANE NOMAPHELO				
	MPAFI CHUMA				
	SIFIKA				
	NGOBO LWANDILE				
	NKONTSO KUNGEKA				
	SABA MPUMELELO				
47	CLLR SIYABONGA JABAVU	YES	6		0
	BUTTON DAVID ROBERT				
	DU TOIT RUDY				
	MBULA NOMSA				
	NOKWE MUSA				
	PETHU M. SOLOMON				
	BAYNES ANNE				
	LOVE DEE				
	RULUMENI PUMELELE				
	MOUNTFORT LEWLLYN				
48	CLLR BAYANDA VIKA	YES	5		1
	MAGUBHENI LULAMA				
	SAKUBA MALIZO				
	ZIBONDA NOLUFEFE				
	MVANDABA NONYAMEKO				
	KALIMASHE NOMAKULA				
	NOBANDA NOCAWE				
	THEMBELANI NIKIWE				
	TETE FUMANEKILE				
	KENI MTHOBELI				
	SIRUNU NTSIKELELO				
49	CLLR ELLIOT MPHATALALA	YES	6		2
	PHILLIP PHINDISWA				
	MONTSI THEMBEKA				
	MENQE EVELYN				
	SAM SOMIKAZI				
	LAMATI NDEYIDA				

Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes/No)	Number of monthly committee meetings held during the year	Number of reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	COLLIE				
	ZENANI ANDILE				
	KOSE CHARLIE MAGAQANA				
	LAYITI THANDATHU				
	BANJWA NOMBONISE				
50	CLLR VUYISWA MPANZA	YES	5		1
	TABATHA NGUQU				
	MONDINDI ZOLANI				
	MGCWABA MBUZELI				
	TWETWA NONTEMBISO				
	LENGS MTHUTHUZELI				
	MALASHE LIVINGSTONE MBUYISELO				
	MTANDA TEMBA				
	XOFA MNIKELO				
	NDAMASE LUTHANDO				
	BUNU BONGIWE				
				Refer to Speakers office	

APPENDIX F – WARD INFORMATION – WARD 1

Ward 1				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				
				R' 000
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Bus Rapid Transit			81 702
	Public Transport Facilities			29 000
	Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir			24 000
	Counter Funding - Electricity Infrastructure Network (2.47% Tariff increase - Ring fenced)			18 195
	Electrification of Informal Dwelling in Duncan Village Areas			10 000
	DVRI Pilot Project (Mekeni, Haven Hills, Competition Site) P1 & P3			2 500
	DVRI Pilot Project 323 units (Mekeni, Competition site, Haven Hills)			2 687
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	3591	3824	2940	2468	
Households without minimum service delivery	462	229	1113	1585	
Total Households*	4053	4053	4053	4053	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Electrification of informal settlements	
	Refuse Removal	
	Local Economic Development - Sport & cultural	
	law enforcement with regards to crime fighting	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED *T F.3*

APPENDIX F – WARD INFORMATION – WARD 2

Ward 2				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				**R' 000**
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Bus Rapid Transit			81 702
	Public Transport Facilities			29 000
	Electricity Infrastructure Network(2.47% Tariff Increase - Ring Fenced)			38 063
	Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir			24 000
	Counter Funding - Electricity Infrastructure Network (2.47% Tariff increase - Ring fenced)			18 195
	Electrification of Informal Dwelling in Duncan Village Areas			10 000
	Construction of BRT lines			30000
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	3505	3871	1601	2784	
Households without minimum service delivery	562	196	2466	1282	
Total Households*	4067	4067	4067	4067	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Electrification of informal settlements	
	Registration and relocation of the informal settlement	
	Fast track issue of illegal occupants & issue of housekeepers in Reeston & Chicken Farm	
	Maintenance and tarring of roads	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED *T F.3*

APPENDIX F – WARD INFORMATION – WARD 3

Ward Title: Ward 3				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				R' 000
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Bus Rapid Transit			81 702
	Public Transport Facilities			29 000
	Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir			24 000
	Construction of BRT lines			30000
	Economic Development Infrastructure (Heritage Route Development; Rollout of Informal Traders Stalls)			12 255
	Construction of the Third Cell			30000
	Purchase of 7 Refuse Compactor Trucks - Mdantsane			10 497
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	6514	6514	6465	6450	
Households without minimum service delivery	14	14	63	77	
Total Households*	6528	6528	6528	6528	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Community Hall	
	Highmast lights	
	Roads	
	Solid waste management	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 4

Ward 4				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				**R' 000**
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Bus Rapid Transit			81 702
	Public Transport Facilities			29 000
	Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir			24 000
	Construction of BRT lines			30000
	Waste Water Treatment Capacity (Zwelitsha)			
	Economic Development Infrastructure (Heritage Route Development; Rollout of Informal Traders Stalls)			12 255
	Construction of the Third Cell			30000
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	4444	4447	4433	4407	
Households without minimum service delivery	16	13	27	53	
Total Households*	4460	4460	4460	4460	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Upgrading of the Beacon Bay library	
	Upgrading of the Bonza Bay Lifesaver Shack, ablution facilities and boardwalk	
	Resurfacing of roads	
	CCTV monitoring	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 5

Ward 5				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				**R' 000**
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	BCMM Roads Upgrade			80 000
	Bus Rapid Transit			81 702
	Public Transport Facilities			29 000
	Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir			24 000
	Construction of BRT lines			30000
	Construction of the Third Cell			30000
	Economic Development Infrastructure (Heritage Route Development; Rollout of Informal Traders Stalls)			12 255
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	3776	4214	3445	4216	
Households without minimum service delivery	595	157	925	155	
Total Households*	4371	4371	4371	4371	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Sidewalks to be built alongside main roads	
	Footbridges (4)	
	Electrification of informal settlements	
	Tarring of gravel roads	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 6

Ward 6				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				**R' 000**
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Electrification - Reeston, Potsdam unit P, Infills Mdantsane, Dimbaza, Zwelitsha, Pakamisa, Bisho and Duncan Village			60 000
	Bus Rapid Transit			81 702
	Public Transport Facilities			29 000
	Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir			24 000
	Construction of BRT lines			30000
	Block Yard TRA-P3			1500
	Construction of the Third Cell			30000
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	3798	3301	2239	2763	
Households without minimum service delivery	481	978	2040	1516	
Total Households*	4279	4279	4279	4279	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Renovation of Eluxolweni Community Hall	
	Building of houses	
	Rebuilding and maintenance of roads	
	Skills training programme	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 7

Ward 7				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				**R' 000**
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Upgrading of Sport & Recreation Facilities			9 000
	Counter Funding - Electricity Infrastructure Network (2.47% Tariff increase - Ring fenced)			18 195
	Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir			24 000
	Electricity Infrastructure Network(2.47% Tarriff Increase - Ring Fenced)			38 063
	Upgrading of Bisho, Dimbaza ,Peelton ,Madramini & Victoria Grounds Stadium			6 372
	Bus Rapid Transit			81 702
	Public Transport Facilities			29 000
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	2865	2971	2850	1804	
Households without minimum service delivery	726	620	741	1787	
Total Households*	3591	3591	3591	3591	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Bush clearing and grass cutting	
	Maintenance and upgrade of roads	
	Community hall to be established	
	Highmast lights	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED *T F.3*

APPENDIX F – WARD INFORMATION – WARD 8

Ward 8				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				**R' 000**
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	N2/R72 Link Road Survey			1200
	Counter Funding - Electricity Infrastructure Network (2.47% Tariff increase - Ring fenced)			18 195
	Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir			24 000
	Electrification of Informal Dwelling in Duncan Village Areas			10 000
	Bus Rapid Transit			81 702
	Public Transport Facilities			29 000
	Construction of BRT lines			30000
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	2742	2812	1966	2588	
Households without minimum service delivery	379	309	1155	534	
Total Households*	3121	3121	3121	3121	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Maintenance of roads	
	Access to potable water and proper toilets in Moscow, Khayelitsha and Soga	
	Electrification of informal settlements	
	Housing	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 9

Ward 9				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				**R' 000**
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Construction of BRT lines			30000
	Counter Funding - Electricity Infrastructure Network (2.47% Tariff increase - Ring fenced)			18 195
	Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir			24 000
	Bus Rapid Transit			81 702
	Public Transport Facilities			29 000
	Amalinda Co- op P1 & P3			
	Amalinda Fairlands P1 & P2			
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	6165	6049	5797	5806	
Households without minimum service delivery	170	285	537	529	
Total Households*	6334	6334	6334	6334	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Appropriate sanitation facilities	
	Tarring and overlay of streets; adequate stormwater drainage	
	Sports and recreation facility	
	Address high unemployment rate	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 10

Ward 10				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				
				R' 000
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Cluster 3 (Fynbos Informal 1, Fynbos Informal 2, Ndancama) P1 & P3			8 489
	Fynbos Informal 1-P3	–		423
	Fynbos Informal 2-P2	–		250
	Ndacama-P2	–		187
	DVRI Pilot Project 323 units (Mekeni, Competition site, Haven Hills)	–		2 687
	DVRI Pilot Project (Mekeni, Haven Hills, Competition Site) P1 & P3			2 500
	Bus Rapid Transit			81 702
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	3841	3397	3418	3912	
Households without minimum service delivery	134	579	557	64	
Total Households*	3975	3975	3975	3975	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Upgrade and maintenance of roads	
	Grass cutting and bush clearing	
	Housing	
	Communal waste disposal bins	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 11

Ward 11				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				
				R' 000
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Bulk Sanitation Provision			152 608
	Mdantsane Roads			120000
	Solid Waste Management			36 000
	Inland Rural Sanitation Dimbaza			33 000
	Construction of BRT lines			30 000
	Reeston Phase 3 Bulk Service Sewer			26 500
	Bus Rapid Transit			81 702
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	4312	3614	3346	4285	
Households without minimum service delivery	254	952	1220	280	
Total Households*	4566	4566	4566	4566	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Housing	
	Maintenance and tarring of roads	
	Electrification of informal settlements	
	Munlti-purpose community centre	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 12

Ward 12				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				**R' 000**
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Upgrading of Sport & Recreation Facilities			9 000
	Mdantsane Roads			120000
	Construction of the Third Cell			30 000
	Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir			24000
	Reeston Phase 3 Stage 2 -P1 & P3			20000
	BCMM Urban Agriculture Infrastructure Development			16000
	Upgrading of Bisho, Dimbaza ,Peelton ,Madramini & Victoria Grounds Stadium			6 372
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	3931	3178	2563	3724	
Households without minimum service delivery	427	1180	1795	634	
Total Households*	4358	4358	4358	4358	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Housing	
	Electrification of informal settlements	
	Flushing toilets	
	Bush clearance	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 13

Ward 13				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				**R' 000**
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Economic Development Infrastructure (Heritage Route Development; Rollout of Informal Traders Stalls)			12 255
	Upgrading of Sport & Recreation Facilities			9 000
	Bulk Sanitation Provision			152 608
	Reeston Phase 3: Stage 2 - P1 & P3			15 000
	Inland Rural Sanitation Dimbaza			33 000
	Electrification - Reeston, Potsdam unit P, Infills Mdantsane, Dimbaza, Zwelitsha, Pakamisa, Bisho and Duncan Village			60000
	Reeston Phase 3 Bulk Service Sewer			26 500
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	8148	7405	5168	5723	
Households without minimum service delivery	370	1113	3350	2795	
Total Households*	8518	8518	8518	8518	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Housing	
	Community Hall	
	Electrification of houses and informal settlements	
	Upgrade and maintenance of roads and stormwater drainage	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 14

Ward 14				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				**R' 000**
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Bulk Sanitation Provision			152 608
	Inland Rural Sanitation Dimbaza			33 000
	Construction of BRT lines			30 000
	Reeston Phase 3 Bulk Service Sewer			26 500
	Waste Water Treatment Capacity Zwelitsha			26 500
	E.L Sewer Diversion Centre			26 500
	Waste Water Treatment Capacity (Zwelitsha)			22 595
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	2539	2220	2149	2414	
Households without minimum service delivery	55	374	446	180	
Total Households*	2594	2594	2594	2594	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Surfacing and maintenance of roads	
	Pedestrian bridge to Kanyisa Primary School	
	Grass cutting and bush clearing	
	Community Hall & housing	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 15

Ward 15				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				**R' 000**
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Inland Rural Sanitation Dimbaza	–		33 000
	Construction of BRT lines	–		30 000
	Reeston Phase 3 Bulk Service Sewer	–		26 500
	Waste Water Treatment Capacity Zwelitsha	–		26 500
	E.L Sewer Diversion Centre	–		26 500
	Waste Water Treatment Capacity (Zwelitsha)	–		22 595
	Construction of the Third Cell			30000
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	3869	3558	2900	3812	
Households without minimum service delivery	164	475	1133	221	
Total Households*	4033	4033	4033	4033	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Electrification of informal settlements	
	Maintenance and upgrading of roads and stormwater drainage	
	Refuse removal and the curbing of illegal dumping	
	Street signage to be replaced	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 16

Ward Title: Ward Name (Number)				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				
				R' 000
No.	Project Name and detail	Start Date	End Date	Total Value
	Inland Rural Sanitation Dimbaza			33 000
	Construction of BRT lines			30 000
	Reeston Phase 3 Bulk Service Sewer			26 500
	Waste Water Treatment Capacity Zwelitsha			26 500
	E.L Sewer Diversion Centre			26 500
	Waste Water Treatment Capacity (Zwelitsha)			22 595
	Construction of the Third Cell			30 000
				T F.1

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery	8429	7635	7452	8036	
Households without minimum service delivery	474	1268	1452	868	
Total Households*	8904	8904	8904	8904	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2012/2013
	Community hall	
	Tarring of Amalinda Forest road	
	Bridge between Simanyene and Amalinda Forest	
	Land for houses	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 17

Ward 17				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				
				R' 000
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Mdantsane Roads	60 000	60 000	
	Construction of BRT lines	–	30 000	
	Construction of the Third Cell	15 000	15 000	
	Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir	12 000	12 000	
	Electrification - Energy Efficient Street Lighting	10 000	10 000	
	Relocation of Midblocks in Mdantsane	5 000	5 000	
	Manyano & Thembelihle Phase 2 - P1 & P3	8 000	4 642	
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	3842	2928	3437	3240	
Households without minimum service delivery	802	1716	1207	1404	
Total Households*	4644	4644	4644	4644	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Electrification of informal settlements	
	Roads to be upgraded	
	Current occupants of welfare housing to be granted ownership rights	
	Community Hall	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED *T F.3*

APPENDIX F – WARD INFORMATION – WARD 18

Ward 18				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				**R' 000**
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Bus Rapid Transit			81 702
	Construction of BRT lines			30 000
	Construction of the Third Cell			30 000
	Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir			24 000
	Public Transport Facilities			29 000
	BCMM Urban Agriculture Infrastructure Development			16 000
	Bulk Electricity Infrastructure Upgrade			10 000
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	3682	3667	3651	3601	
Households without minimum service delivery	23	38	54	104	
Total Households*	3705	3705	3705	3705	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Repair and maintenance of electrical infrastructure	
	Maintenance and upgrade of roads, stormwater and associated infrastructure	
	Maintenance and augmentation of water and sanitation infrastructure	
	Construction of school drop-off points - Dunbar & Epsom Roads	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED *T F.3*

APPENDIX F – WARD INFORMATION – WARD 19

Ward 19				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				**R' 000**
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	N2/R72 Link Road Survey			1 200
	Second Creek (Turn Key) - P1 & P3			12 000
	Second Creek (Turn Key)-P3			8 000
	Bus Rapid Transit			81 702
	Construction of BRT lines			30 000
	Public Transport Facilities			29 000
	Construction of the Third Cell			30 000
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	2729	2650	2541	2748	
Households without minimum service delivery	150	229	338	131	
Total Households*	2879	2879	2879	2879	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Housing	
	Upgrade and maintenance of roads, stormwater and bridges	
	Youth development centre	
	Opening of access road to West Bank from Buffalo Flats, via Latimer's Landing	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 20

Ward 20				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				**R' 000**
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Mdantsane Roads			120 000
	Bus Rapid Transit			81 702
	Construction of BRT lines			30 000
	Public Transport Facilities			29 000
	Electrification - Energy Efficient Street Lighting			20 000
	Construction of the Third Cell			30 000
	Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir			24 000
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	3122	3009	2544	3135	
Households without minimum service delivery	49	162	627	36	
Total Households*	3171	3171	3171	3171	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Housing	
	Tarring of roads	
	Renovation of sports grounds and facilities	
	Gymnasium and indoor sports & other projects accommodation	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 21

Ward 21				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				**R' 000**
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Mdantsane Roads			120 000
	Bus Rapid Transit			81 702
	Construction of BRT lines			30 000
	Public Transport Facilities			29 000
	Construction of the Third Cell			30 000
	Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir			24 000
	Electrification - Energy Efficient Street Lighting			20 000
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	3744	3554	3473	3548	
Households without minimum service delivery	93	283	364	289	
Total Households*	3837	3837	3837	3837	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Housing & upgrade of basic services	
	Tarring of roads	
	Electrification of informal settlements	
	Address issue of unemployment	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 22

Ward 22				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				**R' 000**
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Bulk Sanitation Provision			152 608
	Mdantsane Roads			120 000
	Inland Rural Sanitation Dimbaza			33 000
	Reeston Phase 3 Bulk Service Sewer			26 500
	Waste Water Treatment Capacity Zwelitsha			26 500
	E.L Sewer Diversion Centre			26 500
	Inland Rural Sanitation (Dimbaza Villages,Ngxwalane and Kwalini)			10 048
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	4414	4359	4205	4393	
Households without minimum service delivery	60	115	269	81	
Total Households*	4474	4474	4474	4474	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Community Hall	
	Tarring of roads	
	Community centres/municipal payment offices	
	Housing	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 23

Ward 23				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				
				R' 000
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Mdantsane Roads			120 000
	Bus Rapid Transit			81 702
	Construction of BRT lines			30 000
	Public Transport Facilities			29 000
	Construction of the Third Cell			30 000
	Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir			24 000
	Electrification - Energy Efficient Street Lighting			20 000
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	4311	2785	3991	2585	
Households without minimum service delivery	90	1615	410	1816	
Total Households*	4401	4401	4401	4401	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Community Hall	
	Upgrade and maintenance of access roads	
	Housing	
	Streetlights & electrification of infill areas	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 24

Ward24				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				**R' 000**
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Bus Rapid Transit			81 702
	Construction of BRT lines			30 000
	Public Transport Facilities			29 000
	Mdantsane Roads			12 596
	Rehabilitation of Rural Roads			20 000
	Rehabilitation of Rural Roads Upgrade			26 098
	Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir			24 000
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	3640	2865	2589	1525	
Households without minimum service delivery	809	1583	1859	2923	
Total Households*	4448	4448	4448	4448	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Electrification of informal settlements & address issue of illegal connections	
	Housing	
	Upgrade and maintenance of roads	
	Adequate toilet provision in informal settlements	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 25

Ward 25				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				
				R' 000
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	BCMM Roads Upgrade			80 000
	Bus Rapid Transit			81 702
	Public Transport Facilities			29 000
	Construction of BRT lines			30 000
	Electrification - Reeston, Potsdam unit P, Infills Mdantsane, Dimbaza, Zwelitsha, Pakamisa, Bisho and Duncan Village			60 000
	Rehabilitation of Rural Roads Upgrade			26 098
	Rehabilitation of Rural Roads			20 000
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	3162	3127	3036	3036	
Households without minimum service delivery	381	415	507	507	
Total Households*	3543	3543	3543	3543	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Tarring of gravel roads	
	Housing	
	Street lights and high mast lights	
	Playground	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 26

Ward 26				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				
				R' 000
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Bus Rapid Transit			81 702
	Construction of BRT lines			30 000
	Public Transport Facilities			29 000
	Rehabilitation of Rural Roads Upgrade			26 098
	Rehabilitation of Rural Roads			20 000
	Mdantsane Roads			12 596
	Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir			24 000
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	2924	731	3751	61	
Households without minimum service delivery	1308	3500	480	4170	
Total Households*	4231	4231	4231	4231	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Formalisation of Farm 270, Msobomvu	
	Tarring of access roads	
	Rennovation of community halls	
	RDP Housing and toilets	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED *T F.3*

APPENDIX F – WARD INFORMATION – WARD 27

Ward 27				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				**R' 000**
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Bulk Sanitation Provision			152 608
	Gonubie Main Road			60 000
	Gonubie Main Road			16 093
	Inland Rural Sanitation Dimbaza			33 000
	Reeston Phase 3 Bulk Service Sewer			26 500
	Waste Water Treatment Capacity Zwelitsha			26 500
	E.L Sewer Diversion Centre			26 500
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	3552	3509	3562	3255	
Households without minimum service delivery	216	259	206	513	
Total Households*	3768	3768	3768	3768	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Upgrade of sewerage system	
	Upgrade of electricity	
	Widening of Gonubie Main Road	
	Land & housing	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 28

Ward 28				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				**R' 000**
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Upgrading of Sport & Recreation Facilities			9 000
	Gonubie Main Road			60 000
	Construction of BRT lines			30 000
	Gonubie Main Road			16 093
	Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir			24 000
	BCMM Urban Agriculture Infrastructure Development			16 000
	Upgrading of Bisho, Dimbaza ,Peelton ,Madramini & Victoria Grounds Stadium			6 372
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	5439	4798	4258	5676	
Households without minimum service delivery	1095	1736	2276	858	
Total Households*	6534	6534	6534	6534	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Housing	
	CCVT cameras and high mast lighting	
	Cemetery	
	Sports field	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 29

Ward 29				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				
				R' 000
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Upgrading of Sport & Recreation Facilities			9 000
	Construction of the Third Cell			30 000
	Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir			24 000
	BCMM Urban Agriculture Infrastructure Development			16 000
	Upgrading of Bisho, Dimbaza ,Peelton ,Madramini & Victoria Grounds Stadium			6 372
	Market Cold Room system			6 000
	Redevelopment of Mdantsane NU 2 Swimming Pools & Upgrading of Waterworld			3 000
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	5379	4875	4939	4680	
Households without minimum service delivery	1605	2109	2045	2304	
Total Households*	6984	6984	6984	6984	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Housing	
	Street lighting & electrification of informal settlements	
	Tarring of roads	
	Community Hall	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 30

Ward 30				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				
				R' 000
No.	**Project Name and detail**			**Total Value**
	Construction of the Third Cell			30 000
	Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir			24 000
	Electrification - Energy Efficient Street Lighting			20 000
	BCMM Urban Agriculture Infrastructure Development			16 000
	Market Cold Room system			6 000
	Rural Development			2 000
	Manyano & Thembelihle Phase 2-P3			2 000
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	3133	2635	2463	3304	
Households without minimum service delivery	592	1091	1263	421	
Total Households*	3726	3726	3726	3726	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Housing	
	Toilet facilities in existing informal settlements	
	Tarring of roads	
	Electrification of informal settlements	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 31

Ward 31				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				
				R' 000
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Bulk Sanitation Provision			152 608
	N2/R72 Link Road Survey			1 200
	Inland Rural Sanitation Dimbaza			33 000
	Reeston Phase 3 Bulk Service Sewer			26 500
	Waste Water Treatment Capacity Zwelitsha			26 500
	E.L Sewer Diversion Centre			26 500
	Rehabilitation of Rural Roads Upgrade			26 098
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	4629	3633	3653	2389	
Households without minimum service delivery	2056	3053	3032	4297	
Total Households*	6685	6685	6685	6685	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Land and housing	
	Appropriate access to (good) potable water	
	Upgrade and maintenance of roads	
	Electrification of the entire ward	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 32

Ward 32				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				
				R' 000
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Bulk Sanitation Provision			152 608
	Solid Waste Management			36 000
	Inland Rural Sanitation Dimbaza			33 000
	Reeston Phase 3 Bulk Service Sewer			26 500
	Waste Water Treatment Capacity Zwelitsha			26 500
	E.L Sewer Diversion Centre			26 500
	Rehabilitation of Rural Roads Upgrade			26 098
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	3356	3857	3848	97	
Households without minimum service delivery	1067	566	575	4327	
Total Households*	4424	4424	4424	4424	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Roads development	
	Electrification of extensions to the villages	
	Housing	
	Sports field	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 33

Ward 33				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				
				R' 000
No.	Project Name and detail	Start Date	End Date	Total Value
	Bulk Sanitation Provision			152 608
	Solid Waste Management			36 000
	Inland Rural Sanitation Dimbaza			33 000
	Reeston Phase 3 Bulk Service Sewer			26 500
	Waste Water Treatment Capacity Zwelitsha			26 500
	E.L Sewer Diversion Centre			26 500
	Rehabilitation of Rural Roads Upgrade			26 098
				T F.1

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery	2816	857	3741	31	
Households without minimum service delivery	1375	3334	450	4160	
Total Households*	4191	4191	4191	4191	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2012/2013
	Roads & Stormwater	
	Community Halls	
	Sportsfields	
	Fencing of graveyards	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 34

Ward 34				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				
				R' 000
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	BCMM Roads Upgrade			80 000
	Electrification - Reeston, Potsdam unit P, Infills Mdantsane, Dimbaza, Zwelitsha, Pakamisa, Bisho and Duncan Village			60 000
	Rehabilitation of Rural Roads Upgrade			26 098
	Mdantsane Roads			12 596
	Purchase of 7 Refuse Compactor Trucks - Mdantsane			10 497
	Rehabilitation of Rural Roads			20 000
	BCMM Urban Agriculture Infrastructure Development			16 000
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	3866	3828	3651	3788	
Households without minimum service delivery	25	63	239	103	
Total Households*	3891	3891	3891	3891	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Library in Dimbaza	
	Dedicated grass cutting team	
	Tarred roads	
	Rennovation of shutter houses and RDP houses	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 35

Ward 35				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				
				R' 000
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Upgrading of Sport & Recreation Facilities			9 000
	BCMM Urban Agriculture Infrastructure Development			16 000
	KWT, Dimbaza and Bhisho Infrastructure(Water)			14 000
	Upgrading of Bisho, Dimbaza ,Peelton ,Madramini & Victoria Grounds Stadium			6 372
	KWT Fire Station			12 000
	KWT (Tannery Site)			2 500
	KWT & Bisho Infrastructure (Water)			2 500
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	3919	3275	4006	2164	
Households without minimum service delivery	374	1018	287	2129	
Total Households*	4293	4293	4293	4293	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Sanitation/toilets	
	Community hall	
	Electrification of non-electrified areas	
	Upgrade and maintence of roads	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 36

Ward 36				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				
				R' 000
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Economic Development Infrastructure (Heritage Route Development; Rollout of Informal Traders Stalls)			12 255
	Construction of the Third Cell			15 000
	Purchase of 10 Refuse Compactor Trucks - Mdantsane			14 997
	BCMM Urban Agriculture Infrastructure Development			16 000
	Market Cold Room system			6 000
	Amahleke Water Supply			6 000
	Rural Development			2 000
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	3630	2316	3796	1940	
Households without minimum service delivery	756	2070	590	2446	
Total Households*	4386	4386	4386	4386	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Upgrade and maintenance of roads	
	Rural housing	
	Community halls	
	Electrification of rural extensions	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 37

Ward 37				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				
				R' 000
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Economic Development Infrastructure (Heritage Route Development; Rollout of Informal Traders Stalls)			12 255
	Upgrading of Sport & Recreation Facilities			9 000
	Construction of the Third Cell			30 000
	BCMM Urban Agriculture Infrastructure Development			16 000
	KWT, Dimbaza and Bhisho Infrastructure(Water)			14 000
	Upgrading of Bisho, Dimbaza ,Peelton ,Madramini & Victoria Grounds Stadium			6 372
	KWT Fire Station			12 000
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	3933	3569	4017	2913	
Households without minimum service delivery	250	613	165	1269	
Total Households*	4182	4182	4182	4182	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Community Hall	
	Housing	
	Water (challenge of standing pipes having no water)	
	Rural roads to be maintaned & surfaced; West Drive and West Bank (KWT) to be tarred	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 38

Ward 38				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				
				R' 000
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Economic Development Infrastructure (Heritage Route Development; Rollout of Informal Traders Stalls)			12 255
	Upgrading of Sport & Recreation Facilities			9 000
	Construction of the Third Cell			30 000
	BCMM Urban Agriculture Infrastructure Development			16 000
	KWT, Dimbaza and Bhisho Infrastructure(Water)			14 000
	Upgrading of Bisho, Dimbaza ,Peelton ,Madramini & Victoria Grounds Stadium			6 372
	KWT Fire Station			12 000
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	3488	604	3856	334	
Households without minimum service delivery	798	3681	430	3952	
Total Households*	4285	4285	4285	4285	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Community Hall	
	Electrification across the Ward	
	Upgrade and maintenance of roads	
	Fencing along roads	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 39

Ward 39				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				
				R' 000
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	BCMM Roads Upgrade			80 000
	Solid Waste Management			36 000
	Rehabilitation of Rural Roads Upgrade			26 098
	Construction of the Third Cell			30 000
	Mdantsane Roads			12 596
	Rehabilitation of Rural Roads			20 000
	BCMM Urban Agriculture Infrastructure Development			16 000
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	4318	4073	4420	3198	
Households without minimum service delivery	342	587	240	1462	
Total Households*	4661	4661	4661	4661	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Hall or mini hall	
	Water tanks or reservoirs to service the Ward	
	Tarred roads to low income houses	
	Fencing of rural cemeteries	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 40

Ward 40				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				
				R' 000
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Economic Development Infrastructure (Heritage Route Development; Rollout of Informal Traders Stalls)			12 255
	Construction of the Third Cell			30 000
	Purchase of 10 Refuse Compactor Trucks - Mdantsane			14 997
	BCMM Urban Agriculture Infrastructure Development			16 000
	KWT, Dimbaza and Bhisho Infrastructure(Water)			14 000
	KWT Fire Station			12 000
	Market Cold Room system			6 000
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	2899	1051	2875	58	
Households without minimum service delivery	357	2206	382	3199	
Total Households*	3257	3257	3257	3257	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Tarring of the main road	
	Community halls	
	Fencing of graveyard, grazing camps, arable land and provision of inputs & implements for agriculture	
	RDP houses	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 41

Ward 41				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				
				R' 000
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Economic Development Infrastructure (Heritage Route Development; Rollout of Informal Traders Stalls)			12 255
	Upgrading of Sport & Recreation Facilities			9 000
	Construction of the Third Cell			30 000
	Purchase of 10 Refuse Compactor Trucks - Mdantsane			14 997
	BCMM Urban Agriculture Infrastructure Development			16 000
	KWT, Dimbaza and Bhisho Infrastructure(Water)			14 000
	Upgrading of Bisho, Dimbaza ,Peelton ,Madramini & Victoria Grounds Stadium			6 372
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	3881	3854	3602	3860	
Households without minimum service delivery	9	36	288	30	
Total Households*	3891	3891	3891	3891	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Speedhumps in Zone 1,2,3,4 & 5	
	Upgrade/re-vamp of stormwater drainage	
	Fencing of cemetery	
	Rennovation of rondavels	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 42

Ward 42				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				**R' 000**
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Economic Development Infrastructure (Heritage Route Development; Rollout of Informal Traders Stalls)			12 255
	Construction of the Third Cell			30 000
	Purchase of 10 Refuse Compactor Trucks - Mdantsane			14 997
	BCMM Urban Agriculture Infrastructure Development			16 000
	Market Cold Room system			6 000
	Relocation of Midblocks in Mdantsane			10 000
	Mdantsane N.U.2 Site			2 500
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	3415	3304	2975	3580	
Households without minimum service delivery	190	301	630	25	
Total Households*	3605	3605	3605	3605	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Housing	
	Electrification of informal settlements & address illegal connections	
	Community hall	
	Appropriate water and sanitation in informal settlements	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED *T F.3*

APPENDIX F – WARD INFORMATION – WARD 43

Ward 43				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				
				R' 000
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Economic Development Infrastructure (Heritage Route Development; Rollout of Informal Traders Stalls)			12 255
	Electrification - Reeston, Potsdam unit P, Infills Mdantsane, Dimbaza, Zwelitsha, Pakamisa, Bisho and Duncan Village			60 000
	Construction of the Third Cell			30 000
	Purchase of 10 Refuse Compactor Trucks - Mdantsane			14 997
	BCMM Urban Agriculture Infrastructure Development			16 000
	KWT, Dimbaza and Bhisho Infrastructure(Water)			14 000
	Electrification - Reeston, Potsdam unit P, Infills Mdantsane, Dimbaza, Zwelitsha, Pakamisa, Bisho and Duncan Village			6 254
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	4559	3439	4853	1905	
Households without minimum service delivery	643	1763	350	3297	
Total Households*	5202	5202	5202	5202	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Housing - new settlements & rural housing	
	Electrification of Hanover	
	Community Hall	
	Roads	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED *T F.3*

APPENDIX F – WARD INFORMATION – WARD 44

Ward 44				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				**R' 000**
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Economic Development Infrastructure (Heritage Route Development; Rollout of Informal Traders Stalls)			12 255
	Upgrading of Sport & Recreation Facilities			9 000
	BCMM Roads Upgrade			80 000
	Rehabilitation of Rural Roads Upgrade			26 098
	Mdantsane Roads			12 596
	Rehabilitation of Rural Roads			20 000
	BCMM Urban Agriculture Infrastructure Development			16 000
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	5317	4967	4854	4207	
Households without minimum service delivery	131	481	594	1241	
Total Households*	5448	5448	5448	5448	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Fencing of camps and cemeteries	
	Bridge to link Tshatshu & Qalashe; Speedhumps in Breidbach	
	Upgrade and maintenance of roads	
	Housing - including rectification, new houses and social housing	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED *T F.3*

APPENDIX F – WARD INFORMATION – WARD 45

Ward 45				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				**R' 000**
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Economic Development Infrastructure (Heritage Route Development; Rollout of Informal Traders Stalls)	12 255	0	12 255
	Construction of the Third Cell	15 000	15 000	30 000
	Purchase of 10 Refuse Compactor Trucks - Mdantsane			14 997
	BCMM Urban Agriculture Infrastructure Development	8 000	8 000	16 000
	KWT Fire Station	6 000	6 000	12 000
	Rural Development	0	2 000	2 000
	Trade and Investment Automative Centre	0	2 000	2 000
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	3288	2611	2950	2268	
Households without minimum service delivery	254	931	592	1274	
Total Households*	3542	3542	3542	3542	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Electrification of Illitha North & South	
	Upgrade sanitation system in Berlin town	
	Access roads and upgrade/maintenance of roads	
	Housing	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 46

Ward 46				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				
				R' 000
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Economic Development Infrastructure (Heritage Route Development; Rollout of Informal Traders Stalls)			12 255
	N2/R72 Link Road Survey			1 200
	West Bank Restitution			15 000
	Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir			12 000
	Purchase of 10 Refuse Compactor Trucks - Mdantsane			14 997
	BCMM Urban Agriculture Infrastructure Development			16 000
	Westbank Restitution-P1			1 860
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	4938	4308	4232	4309	
Households without minimum service delivery	908	1538	1614	1537	
Total Households*	5846	5846	5846	5846	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Upgrade and maintenance of roads	
	Bush clearing and grass cutting	
	Beutification and cleaning of Settlers Way	
	Ongoing cleansing of stormwater drains, parks & graveyards	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED *T F.3*

APPENDIX F – WARD INFORMATION – WARD 47

Ward 47				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				
				R' 000
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Economic Development Infrastructure (Heritage Route Development; Rollout of Informal Traders Stalls)			12 255
	Bulk Sanitation Provision			152 608
	Inland Rural Sanitation Dimbaza			33 000
	Reeston Phase 3 Bulk Service Sewer			26 500
	Waste Water Treatment Capacity Zwelitsha			26 500
	E.L Sewer Diversion Centre			26 500
	Waste Water Treatment Capacity (Zwelitsha)			22 595
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	4156	4131	4124	4056	
Households without minimum service delivery	23	48	55	123	
Total Households*	4179	4179	4179	4179	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Sleeper site development	
	Marina Glen & Beachfront development	
	Gillwell taxi rank	
	Regulation of street traders	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 48

Ward 48				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				
				R' 000
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Economic Development Infrastructure (Heritage Route Development; Rollout of Informal Traders Stalls)			12 255
	Construction of the Third Cell			30 000
	Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir			24 000
	Purchase of 10 Refuse Compactor Trucks - Mdantsane			14 997
	BCMM Urban Agriculture Infrastructure Development			16 000
	Relocation of Midblocks in Mdantsane			10 000
	Market Cold Room system			6 000
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	3293	3069	2845	3361	
Households without minimum service delivery	133	357	581	65	
Total Households*	3426	3426	3426	3426	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Housing	
	Upgrade of gravel roads to tar	
	Jobs for youth	
	Bush clearing	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 49

Ward 49				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				
				R' 000
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Economic Development Infrastructure (Heritage Route Development; Rollout of Informal Traders Stalls)			12 255
	Construction of the Third Cell			30 000
	Purchase of 10 Refuse Compactor Trucks - Mdantsane			14 997
	BCMM Urban Agriculture Infrastructure Development			16 000
	KWT, Dimbaza and Bhisho Infrastructure(Water)			14 000
	KWT Fire Station			12 000
	Market Cold Room system			6 000
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	2371	554	2760	47	
Households without minimum service delivery	599	2416	211	2923	
Total Households*	2970	2970	2970	2970	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Small bridge to cemetery & fencing of cemetery	
	Housing & toilets across the Ward	
	Water and electricity for New Bright & Nqoqaga	
	Additional clinic	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED	*T F.3*

APPENDIX F – WARD INFORMATION – WARD 50

Ward 49				
Capital Projects: Seven Largest in 2012/2013 (Full List at Appendix O)				**R' 000**
No.	**Project Name and detail**	**Start Date**	**End Date**	**Total Value**
	Economic Development Infrastructure (Heritage Route Development; Rollout of Informal Traders Stalls)			12 255
	Construction of the Third Cell			30 000
	Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir			24 000
	Purchase of 10 Refuse Compactor Trucks - Mdantsane			14 997
	BCMM Urban Agriculture Infrastructure Development			16 000
	Relocation of Midblocks in Mdantsane			10 000
	Market Cold Room system			6 000
				T F.1

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	2988	2885	2687	2916	
Households without minimum service delivery	119	222	420	191	
Total Households*	3107	3107	3107	3107	
Houses completed in year					
Shortfall in Housing units					
**Including informal settlements*					*T F.2*

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	**Priority Name and Detail**	**Progress During 2012/2013**
	Tarring of roads	
	Installation of high mast ligths	
	Housing	
	Job creation	
		T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED *T F.3*

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2012/2013

Municipal Audit Committee Recommendations		
Date of Committee	Committee Recommendation during the year	Recommendations adopted (enter yes), If not adopted (provide explanations)
17 August 2012	2	Yes
30 November 2012	5	Yes
18 January 2013	3	Yes
22 March 2013	5	Yes
26 April 2013	2	Yes
31 May 2013	2	Yes
30 June 2013	3	Yes

APPENDICES

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (20 Largest Contracts Entered into during 2012/2013)

R' 000

Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
CivcontractCivils(Pty) Ltd	Construction of Bisho, King Williams Town and Zwelitsha Bulk Regional Sewerage Scheme-Phase 2	15-Apr-13	30-Sep-14	Andisa Ntwasa	R 204 023 452
Basil Read (Pty) Limited	Buffalo City Metropilitan Municipality Upgrade of Gonubie Main Road	14-Feb-13	30-Mar-14	Lulama Mashiya	R 132 089 321
RandcivilsJV Mamlambo	Extension to Reeston Wastewater Treatment Works: Civils	24-Apr-13	30-Apr-16	Sandile Sojini	R 88 814 989
Motheo Construction Group (Cluster 1, 2 &3)	Construction of 988 Storm-Damaged Low Costing Housing Umits in BCMM area	24-Jan-13	1-Oct-13	Thabo Matiwane	R 65 862 700
Amanzi Abantu Services	Provision of ablution facilities for a three year period	21-Dec-12	21-Dec-15	Luyanda Mbula	R 41 490 602
URSA/GIVE JV	Upgrading of Quinera Wastewater Treatment Works: Phase 2	18-Jun-12	30-Jun-14	Sandile Sojini	R 39 789 498
Mpumalanga Motheo JV	Provision of Civil Engineering Services in Second Creek	9-Jan-13	30-Jun-14	Luyanda Mbula	R 32 263 279
WK Construction South Africa (Pty) Ltd	Mdantsane Bufferstrip Phase 3: Chlorunation and Damn Rehabiliatation	22-Apr-13	30-Apr-16	Dave Langley	R 34 596 491
Ballenden & Robb SA (Pty) Ltd	Operation of an electrical Network Control Centre and Customer Call Centre in Buffalo City Period of three years	10-Jan-11	1-Feb-14	Rob Ferrier	R 28 385 970
Simunye Developers cc	Bulk Water Supply to Coastal Areas :Phase 1D	13-Mar-13	30-Sep-14	Luyanda Mbula	R 20 621 026
Mpumalanga Construction (Pty) Ltd	East London Sewer Diversion: Central WWTW to Reeston -Phase 1A	26-Mar-12	30-May-13	Sandile Sojini	R 20 467 544
MBSA/Conrite/Mink-Line Consortium	(WARD 36) –a for Nomgwadla, Nakani, Mzittshana, Zabalaza, Nyanisweni, Madakeni, Newrest and Pirie Mission Sanitation Backlog Eradication Project	7-May-13	30-May-16	Luyanda Mbula	R 12 698 633
Matemba Civils Amatole cc	West Bank Land Restitution Project - Bulk Wastewater Infrastructure	5-Mar-12	30-Mar-14	Sandile Sojini	R 11 246 174
Mantella Trading 522 cc t/a Designer Lighting	Operation and Maintenance of the overhead lectrical network in Mdantsane for period of three years	29-Nov-11	1-Dec-14	Rob Ferrier	R 10 944 000
Commshelf 55 cc T/A Urban Africa Services	Mdantsane Bulk Water Supply To Bufferstrip/Needs Camp/NCERA: Phase4	5-Jun-12	30-Jun-14	Sandile Sojini	R 9 994 139
Fast Move Electrical cc	Construction of Bisho, King Williams Town and Zwelitsha Bulk Regional Sewerage Scheme-Phase 2	26-Apr-13	30-Apr-14	Andisa Ntwasa	R 9 950 069

Arcus Gibb (pty) LTD - CLUSTER 2	Provision of Civil Engineering Services for the Upgrading of Mdantsane Road - Cluster 1, 2 & 3	1-Oct-12	30-Oct-15	Sandile Sojini	R 9 199 467
Engineering Advice and Services (pty) LTD - CLUSTER 1	Provision of Civil Engineering Services for the Upgrading of Mdantsane Road - Cluster 1, 2 & 3	1-Oct-12	30-Oct-13	Sandile Sojini	R 8 759 949
Hanise Sanitation Consortium	Appoiontments of Professional Consortuim of Services Providers (Civil Engineering Consultants (Principal) Civil/Building Engineering Contractors: Health and Safety Agents and Social Facilitators) to implent the Midland Rural Sanitation Backlog Eradication Projects (WARD 24, 26 and 49)	30-Apr-13	30-May-14	Gcobisa Sapepa	R 8 506 157
MBSA Consulting - CLUSTER 3	Provision of Civil Engineering Services for the Upgrading of Mdantsane Road - Cluster 1, 2 & 3	1-Oct-12	30-Oct-15	Sandile Sojini	R 8 160 411
					T H.1

APPENDICES

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

No municipal entities

Municipal Entity/Service Provider Performance Schedule									
Name of Entity & Purpose	(a) Service Indicators	Year 0		Year 1			Year 2	Year 3	
		Target	Actual	Target		Actual	Target		
(i)	(b) Service Targets (ii)	*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)

*Note: This statement should include no more than the top four priority indicators. * 'Previous Year' refers to the targets that were set in the Year -1 Budget/IDP round; *'Current Year' refers to the targets set in the Year 0 Budget/IDP round. *'Following Year' refers to the targets set in the Year 1 Budget/IDP round. Note that all targets must be fundable within approved budget provision. In column (ii) set out the Service Indicator (In bold italics) then the Service Target underneath (not in bold - standard type face) to denote the difference.* T I

APPENDICES

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of 2012/2013 (Current Year)		
Position	**Name**	**Description of Financial interests* (Nil / Or details)**
(Executive) Mayor	Zukiswa Veronica **NCITHA**	TRAVEL ABROAD; PUBLIC BODY: MEXICO (MUNICIPAL BUSINESS SPONSORED BY AMATHOLE); COUNCILLOR AMATHOLE D.M.
Member of MayCo / Exco		
Councillor		
	Alderman John Henry Badenhorst	DIRECTORSHIP; PROPERTY; PENSION; FOREIGN TRIP; BUSINESS UNDERTAKING (DEPENDANT): EL IDZ; 20 BONNIE DOON PLACE (OWNER); LIVING ANNUITY (INVESTEC); QUTAR CONGRESS ON BEHALF OF COUNCIL; PETER BADENHORST (SON) EMPLOYEE OF BEKA ELECTRICAL
	RoyEdmund Angelbeck	MEMBER OF CLOSE CORPORATION; TRUSTEE; EMPLOYMENT; PROPERTY: PARK BOULEVARD TRADING; DEROIA TRUST; WALTER SISULU UNIVERSITY; FARM 691 GONUBIE (OWNER), 80 QUEEN STR, CAMBRIDGE; 9 MAYFAIR RD, 5 WASHINGTON, CAMBRIDGE (OWNER)
	Susan Elizabeth BENTLEY	EMPLOYMENT; PROPERTY; SUBSIDY; SPONSORED TRIP: STIRLING HIGH SCHOOL; 8 IRVINE RD, BONNIE DOON (OWNER); HOUSING SUBSIDY (R800-00 P.M.) E.C. EDUCATION DEPT.; TEACHER EXCHANGE (BRITISH COUNCIL)
	Thabiso BINGWA	MEMBER OF CLOSE CORPORATION: MIP KWAND PROJECT
	Makhaya BOPI	GRANT FOR KID (R250)
	Evelyn Irene BRAUNS	PENSION: NESTLE SA - RANDBURG
	Sakhumzi Welcome CAGA	SHARES: YIZANI COMMUNICATION (400 SHARES)
	Xolile Crosby CAKATA	DEPT. OF HOME AFFAIRS (CHILD SUPPORT); SOCIAL DEV. (CHILD GRANT)
	Vuyisile Alfred DIKO	SHARES, MEMBER OF CLOSE CORPORATION: YAKHA IMBONO MULTI-PURPOSE CO-OPERATIVE LTD.
	Zukisa Cheryl FAKU	RESIDENTIAL PROPERTY IN MDANTSANE (10430, NU 4) & GONUBIE (10 JORDAN PLACE)
	Terence Flavian Fritz	BUILDING CONTRACTOR; EMPLOYMENT: DADDY TEE BUILDERS;
	Councillor Zameka **GAJULA**	50% MEMBER OF CLOSE CORPORATION: NTSINGA AND GAJULA TRADING
	Johannes Dick GREEN	EMPLOYMENT: GLOMAIL; RESERVE BANK OF SA
	Siyabonga	PUBLIC BODY: EAST LONDON SENIOR CITIZEN (MEMBER)

	JABAVU	
	Ayanda KASHE	CHILD GRANT – R260-00 (IN THE PROCESS OF CANCELLATION)
	Sizinzo Philgate MADIKANE	PENSION; HOUSING SUBSIDY: PENSION; HOUSING SUBSIDY
	Nomfanelo Gloria **Madonono**	OWNER OF VACANT LAND WITH TEMPORARY STRUCTURE IN HANOVER LOCATION, KWT
	Sanele MAGAQA	MEMBER OF CLOSE CORPORATION: LAWZERIA (SECURITY CLEANING)
	Monwabisi Nicholson MAHODI	SHARES, MEMBER OF CLOSE CORPORATION; TRUST; DIRECTORSHIP; PENSION: AMALINDA FISH FARM; AMALINDA COMMUNITY TRUST; OLD AGE GOVERNMENT GRANT (R1100)
	Nomalizo Ivy MAKAPELA-PAKADE	843 NU 16, MDANTSANE (OWNER); SPOUSE RECEIVING GOVERNMENT PENSION
	Makazole **MAKELENI**	NOT SUBMITTED
	Sandla **MANCIYA**	PROPERTY: 11 GORDON ROAD, SOUTHERNWOOD, CAR
	Thenjiwe Sylvia **MANKAHLANA**	PROPERTY; GRANT: 1315 NU 10, MDANTSANE (OWNER); CHILD SUPPORT GRANT
	Nosipho Ethel **MAQIDLANA**	PROPERTY; PENSION: 1457 NU 16, MDANTSANE (OWNER); EDUCATION DEPARTMENT, CLLRS PENSION FUND; MOMENTUM
	Nokuku Gladys **MARWANQA**	MEMBER OF CLOSE CORPORATION: LETSHE ON THE WAY & LOLITA TRADING
	Mlandeli Julius **MATEKE**	EMPLOYMENT; PROPERTY: SPAZA SHOP; ERF F-519 MAHLANGENI STREET, DUNCAN VILLAGE (OWNER)
	Sangweni Theophilus **MATWELE**	PROPERTY: OWNER OF 26 BEUMONTI & OWNER OF CAR
	Reginah Noshiya **MAY**	PROPERTY; EMPLOYMENT: OWNER OF 366; DEPT. OF HEALTHER
	Jerome **Mdyolo**	EMPLOYMENT; DIRECTORSHIP, PARTNERSHIP: NORMAN'S WINE & DINE ; MAGIC EYE – DORMANT COMPANY (LANDSCAPING); SPAZA
	Nomiki Dorothy **MGEZI**	TAXI BUSINESS; PROPERTY; GIFTS: TAXI BUSINESS; 226A MATEANZIMA, DUNCAN VILLAGE (OWNER); CHEV AVEO SEDAN CAR (OWNER); I-PAD (CONFERENCE ON IGR & CO-OPGOVERNNANCE 2011)
	Ntombizandile Maureen **Mhlola**	PUBLIC BODY: REPRESENTATIVE OF THE COMMUNITY CHEST
	Kevin John **MILEHAM**	MEDIA CONSULTANCY; TRUSTEE; DIRECTORSHIP; CONSULTANCY; EMPLOYMENT; PROPERTY;
		RHURBARB COMMUNICATIONS; FORWARD MOMENTUM BUSINESS TRUST, MILEHAM FAMILY TRUST; GUEST FAMILY TRUST, SETTLERS PARK ASSOCIATION; FORWARD MOMENTUM BUSINESS TRUST, 8 FORD STR & 40 EMERALD VIEW (OWNER

	Mkakutta ClaraMorolong-**YEKISO**	PROPERTY: KWELERA LAND
	Reun Kolisile **Mpupusi**	PUBLIC BODY;PROPERTY; PENSION; SHARES: ST. JOHNS AMBULANCE, 299 HANIPARK, MDATNSANE, 2 MOTORVEHCILES; ICI ORDINARY SHARES
	Mzwandile Attwell **MSOKI**	SHARES (ORDINARY), TRUSTEE; DIRECTOR; PROPERTY; PENSION: OLD MUTUAL, SANLAM, RMB TRUST; CDRA (NGO); 241 – 9, MDANTSNE (OCCUPANT); 15 PALLOTI RD, MONTANT, CAPE TOWN (OWNER); GOVERNMENT OLD AGE
	Zininzi **MTYINGIZANE**	MEMBER OF CLOSE CORPORATION: ZIMWO CONSTRUCTION & MULTI-PURPOSE (SOLE MEMBER)
	Robert Kendal **MUZZELL**	SHARES; MEMBER OF CLOSE CORPORATION, TRUSTEE, DIRECTORSHIP, PARTNERSHIP, CONSULTANCY, RETIREMENT ANNUITY; PROPERTY; PENSION; PUBLIC BODY
		KATBERG 214; SELF SEAL LABELS CC; SCORYKE INVESTMENTS; R.K. MUZZEL FAMILY TRUST, BOARDMAN BROS. PTY (LTD); SCORYKE CC; IQUAD CONSULTANCY; LIBERTY LIFE;
		5 DEVON PLACE; PLANKTON (MORGAN BAY); NORTH END E.L., BRAELYN EL; LEISURE HOMES RETIREMENT CENTRE, ROTARY CLUB GATELY
	Cynthia **MXABANISI-GAKRISHE**	MEMBER OF CLOSE CORPORATION; GAKRISHE FAMILY TRUST: UZUBENATHI CRAFTS; AGRICULTURE & FARMING
	Parmanundan **NAICKER**	SHARES; BUSINESS UNDERTAKING; PROPERTY; PENSION
		VODACOM YEBOYETHU, SASOL INZALO, MTN ASONGE (ORDINARY); CHARISMA LEARNING CENTRE, NATIONAL BUINESS INITIATIVE; AMPLIFY INIFINITY; 29 CAMBRIDGE RD, KWT (OWNER); 42 ALEXNDER RD, KWT (OWNER); PLOT 26 BHIRA – VACANT LAND (OWNER); OLD MUTUAL (SPOUSE)
	Pumla **NAZO**	MEMBER OF CLOSE CORPORATION; DIRECTORSHIP; PROPERTY; PENSION : MAYEYE TRADING, MZIZI INVESTMENT, MAKATALA TRADING; 62 AVALON RD, BEACON BAY (OWNER) NATIONAL TREASURY; TAXI DOING SHUTTLE SERVICE
	Silelo Ebby **NDEVU**	ANC (STAFF SALARY) PROPERTY; PENSION: 493 NU 17, MDANTSANE (LANDLORD) VIVIENE SAKUBE (EXPECTING PENSION FROM DEPT OF EDUCATION)
	Helen ElizabethNEALE-**MAY**	GARNER NOSH (PTY) LTD; REIKI MASTER (HEALING PRACTICE); PROPERTY, GRANT; PUBLIC BODY: SHARES, DIRECTORSHIP, HEALING PRACTICE (REIKI MASTER); RESIDENTIAL PROPERTY (53, 15TH AVENUE, GONUBIE, IDZ (FOR GARNER NOSH PTY LTD); GONBUIE CPF
	Moody Shirley **NELL**	PENSION
	Mlandeli Leonard **NGABAYENA**	PROPERTY: 1074 NU 13, MDANTSANE (OWNER)

	Mongezi Tennyson **NGCABA**	PENSION: GOVERNMENT EMPLOYEES PENSION FUND (R2047)
	Mxolisi Gerald **NKULA**	SHARES; PROPERTY; PUBLIC BODY: OLD MUTUAL (R1500-00); HONEY SA; OWNER OF 151 NU 17, MDANTSANE; DEPLOYED BY COUNCIL AS REPRESENTATIVE FOR UPE
	Gedion Thozamile **NOREXE**	SOLE MEMBER OF CC: ILITHA CIVIL & CONSTRA
	Welile Isaac **NTOZINI**	DISABILITY PENSION
	Nontsikelelo Priscilla **PETER**	PROPERTY: 17 UMNQAYI RD, SUNSET BAY (OWNER)
	Luke Monwabisi **QUSE**	SHARES; MEMBER OF CLOSE CORPORATION; DIRECTORSHIP; EMPLOYMENT; PROPERTY : MOMOTHEKA TRADE 1055, KWANZANA, VUSITHEMBA ADP; BURNING BUSH MINISTRIES; OWNER OF 7 MAMBU STR, GOMPO & 33 SKYVIEW SOUTHERNWOOD
	Annette **RADEMEYER**	EMPLOYMENT; PROPERTY : BISHO LEGISLATURE; OWNER OF 32 GORDON STREET, KWT
	Rufus Donono **RWEXU**	SPECIAL PENSION
	Veliwe Vivienne **SAKUBE**	TEACHING PENSIONER; 479 NU 17 MDANTSANE (LANDLORD)
	Xolani Livingstone **SAMANA**	TRUSTEE: MEDICAL AID
	Luleka Ethel **Simon**	MEMBER OF CLOSE CORPORATION; DIRECTOR; PROPERTY : THE THANAM CC; OLD MUTUL INVESTMENT LIFE, METROPOLITAN INVESTMENT POLICY ; OWNER OF MOTORVEHICLE, 7 MACKAY STREET, WESTBANK (OWNER); 631 HIGHWY, NDEVANA (LANDLORD)
	Rowan Henry **THIELE**	MEMBER OF CC; PROPERTY, EMPLOYMENT (SPOUSE) : SOLE MEMBER OF RONILI MARKETING; 2A DANBURY, DORCHESTER (OWNER), BUFFALO CITY METRO MUNICIPALITY (SPOUSE)
	Isabel **THOMPSON**	SHARES; TRUSTEE; EMPLOYMENT; PROPERTY; PENSION : SANLAN, OLD MUTUAL; IAN THOMPSON FAMILY TRUST; CAPE TOWN PROPERTY TRUST; WORTHY TRADE; OWNER OF 35 BONNIE DOON VISTA, SHCULTZ RD, 185 VIEW TERRACE, QUIGNEY, 11 MCKENZIE STREET, WOODLEIGH, OLD MUTUAL;
	Vuyo **TOKWE**	EMPLOYMENT: E.C. LEGISLATION; SPECIAL PENSION
	Zandisile **TOKWE**	MEMBER OF CLOSE CORPORTION; PROPERTY: ZPN TRADING ENTERPRISE CC (30% SHARE); OWNER OF 40375 SCENERY PARK, 1 X TOYOTA AVANZA, 1 X TATA INDICA
	Enoch Sithembiso Tyilo	PENSION: METROPOLITAN LIFE
	Mzwandile **VAAIBOOM**	DIRECTOR: AMATOLA HIV/AIDS & STI INTERVENTION

	Dinesh **Vallabh**	MEMBER OF CLOSE CORPORATION; OWNER OF TRUST; EMPLOYMENT; PROPERTY: LITTLE CREEK TRADING 411 CC; DINESH VALLABH TRUST; WSU ; OWNER OF 41 BUNBERRY CRESC, DORCHESTER HEIGHTS, SHOP 57 ORIENTAL PLAZA, NORTH END & SHOP 40,
	Lance Christopher **WEYER**	EMPLOYMENT: HUDSON PARK HIGH SCHOOL
	Thembisa Thelma **ZANTSI**	PENSION: GOVERNMENT EMPLOYEE FUND
Municipal Manager		
Chief Financial Officer	Mr V. Pillay	STOCK MARKET SHARES; OWNS A RETAIL OUTLET (DORMANT); PROERTY RENTAL INCOME
Deputy MM and (Executive) Directors		
Director: Planning & Economic Development	Ms Mbali-Majeng	SPOUSE DIRECTOR OF: PULE FUNERAL DIRECTORS & MAYIBUYE CONSTRUCTION & SUPPLIES; OWNS RESIDENTIAL PROPERTY
Other S57 Officials		
** Financial intersests to be disclosed even if they incurred for only part of the year. See MBRR SA34A* *T J*		

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote

R' 000

Vote Description	2011/2012	Current: 2012/2013			2012/2013 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Vote 1 - Executive Support Services	3 742	–	2 084	154	100%	-1249%
Vote 2 - Municipal Manager's Office	212	–	24 974	–	0%	0%
Vote 3 - Chief Operations Officer	47 020	109 591	69 899	10 331	-961%	-577%
Vote 4 - Directorate of Financial Services	1 169 402	1 441 627	1 441 627	1 269 076	-14%	-14%
Vote 5 - Directorate of Corporate Services	3 250	5 371	4 776	407	-1221%	-1074%
Vote 6 - Directorate of Engineering Services	1 871 055	1 923 389	1 927 396	1 513 870	-27%	-27%
Vote 7 - Directorate of Development Planning	45 841	49 908	49 429	23 337	-114%	-112%
Vote 8 - Directorate of Health & Public Safety	185 754	139 656	139 656	59 629	-134%	-134%
Vote 9 - Directorate of Community Services	269 755	297 096	298 701	231 206	-28%	-29%
Vote 10 - Directorate - Miscellaneous	–	629 018	836 519	–	0%	0%
Total Revenue by Vote	**3 596 030**	**4 595 656**	**4 795 060**	**3 108 011**	**-48%**	**-54%**

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3

T K.1

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source

R '000

Description	2011/2012	2012/2013			2012/2013 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	521 931	583 999	583 999	440 306	-33%	-33%
Property rates - penalties & collection charges	584	1 376	1 376	498	-176%	-176%
Service Charges - electricity revenue	1 137 198	1 279 796	1 279 796	990 544	-29%	-29%
Service Charges - water revenue	239 552	260 086	260 086	207 479	-25%	-25%
Service Charges - sanitation revenue	183 646	203 478	203 478	153 050	-33%	-33%
Service Charges - refuse revenue	175 341	199 627	199 627	148 403	-35%	-35%
Service Charges - other	20 778	24 968	24 968	20 444	-22%	-22%
Rentals of facilities and equipment	13 388	14 086	14 086	8 322	-69%	-69%
Interest earned - external investments	58 689	53 986	53 986	52 656	-3%	-3%
Interest earned - outstanding debtors	23 920	24 328	24 328	16 412	-48%	-48%
Dividends received	–	–	–	–	#DIV/0!	#DIV/0!
Fines	5 456	11 765	11 765	4 128	-185%	-185%
Licences and permits	15 708	16 992	16 992	11 261	-51%	-51%
Agency services	–	–	–	–	#DIV/0!	#DIV/0!
Transfers recognised - operational	724 619	804 866	796 769	639 793	-26%	-25%
Other revenue	473 563	487 284	487 284	414 712	-17%	-17%
Gains on disposal of PPE	1 658	–	–	–	#DIV/0!	#DIV/0!
Enviromental Proctection	–	–	–	–	#DIV/0!	#DIV/0!
Total Revenue (excluding capital transfers and contributions)	**3 596 030**	**3 966 637**	**3 958 541**	**3 108 011**	**-28%**	**-27%**

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.

T K.2

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Public Transport Infrastructure and Systems Grant	78 702	33 000	133	-58923%	-24648%	For planning, establishment, construction and improvement of new and existing public transport and non-motorised transport infrastructure and systems in BCM.
Dept of Water Affairs	1 283	1 374	1 374	7%	0%	Substain & build capacity in water schemes owned/operated by DWA on behalf of the department & transfer schemes to local government.
Finance Management	1 500	1 500	1 500	0%	0%	Promote & support reforms by building capacity in municipalities to implement MFMA.
Infrastructure Skills Development	3 000	3 000	1 920	-56%	-56%	Strengthen capacity of local government, to effectively and efficiently deliver quality infrastructure by increasing the pool of skills available.
Expanded Public Works Programme	1 484	1 484	930	-60%	-60%	Expand job creation efforts in specific focus areas, where labour intensive delivery methods can be maximised.
Urban Settlement Development	499 474	766 788	526 766	5%	-46%	To improve urban land production to the benefit of poor households, reduce cost of urban land, enhance quality of life in informal settlements, subsidise costs of acquiring land & provide basic services for poor households.
Integrated National Electrification	30 000	36 254	36 254	17%	0%	To address the electrification backlog of occupied residents. Dwellings, clinics & installation of bulk infrastructure & rehabilitation & refurbishment. Electrified Infrastructure to improve quality of supply.
Electricity Demand Side Management	10 000	10 071	10 071	1%	0%	Implement EDSM in municipal infrastr. To reduce electricity consumption & improve energy efficiency.
Other Specify:						
Total	**625 443**	**853 472**	**578 949**	**-8%**	**-47%**	

** This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.*

T L

COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:
Delete Directive note once comment is completed – Use this box to provide additional information on grant benefits or conditions and reasons for acceptance. *T L.1*

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*

R '000

Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure - Total	**145,227**	**590,605**	**662,414**	**380,551**	**511,983**	**522,758**	**592,210**
Infrastructure: Road transport - Total	37,137	101,200	145,503	114,859	183,000	215,500	215,000
Roads, Pavements & Bridges	37,137	101,200	145,503	114,859	183,000	215,500	215,000
Storm water							
Infrastructure: Electricity - Total	20,990	77,851	84,732	76,432	61,329	58,500	103,500
Generation							
Transmission & Reticulation	20,990	77,851	84,732	76,432	61,329	58,500	103,500
Street Lighting							
Infrastructure: Water - Total	16,857	12,000	14,860	12,852	–	–	–
Dams & Reservoirs							
Water purification							
Reticulation	16,857	12,000	14,860	12,852			
Infrastructure: Sanitation - Total	61,548	174,608	228,330	132,510	158,854	173,258	199,000
Reticulation	61,548	174,608	228,330	132,510	158,854	173,258	199,000
Sewerage purification							
Infrastructure: Other - Total	8,695	224,946	188,989	43,898	108,800	75,500	74,710
Waste Management	2,508	3,000	59,990	–	1,000	36,500	28,710
Transportation	6,187	109,702	47,234	338	96,800	24,000	30,000
Gas			–				
Other		112,244	81,765	43,560	11,000	15,000	16,000
Community - Total	**5,727**	**14,000**	**17,298**	**6,028**	**26,541**	**38,000**	**8,000**
Parks & gardens	543	2,000	2,473	160	3,000	5,000	–
Sportsfields & stadia							
Swimming pools							
Community halls	1,935	4,000	5,355	207	10,000	10,000	7,000
Buses							
Clinics	3,249						
Social rental housing							
Other		8,000	9,470	5,662	13,541	23,000	1,000

Table continued next page

Table continued from previous page

Capital Expenditure - New Assets Programme*

R '000

Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Heritage assets - Total	–	–	–	–	–	–	–
Buildings							
Other							
Investment properties - Total	**14,023**	**–**	**–**	**–**	**85,526**	**108,936**	**151,619**
Housing development	14,023				85,526	108,936	151,619
Other							
Other assets	**66,146**	**66,692**	**125,952**	**69,451**	**49,392**	**64,300**	**66,350**
General vehicles	16,332	6,628	37,611	25,300			
Specialised vehicles	31,563		–	–	8,750	28,300	44,000
Plant & equipment	3,952	1,500	2,826	334			
Computers - hardware/equipment							
Furniture and other office equipment	6,282	39,300	43,404	22,667	9,142	15,500	7,350
Abattoirs							
Markets			357	304			
Civic Land and Buildings	711	19,264	38,203	20,847	21,500	10,500	5,000
Surplus Assets - (Investment or Inventory)							
Other	7,306		3,550	–	10,000	10,000	10,000
Agricultural assets	–	–	–	–	–	–	–
List sub-class							
Biological assets	–	–	–	–	–	–	–
List sub-class							
Intangibles	–	–	–	–	–	–	–
Computers - software & programming							
Other *(list sub-class)*							
Total Capital Expenditure on new assets	**231,123**	**671,297**	**805,665**	**456,030**	**673,442**	**733,994**	**818,179**
Specialised vehicles	**31,563**	**–**	**–**	**–**	**–**	**–**	**–**
Refuse							
Fire	31,563						
Ambulances							

** Note: Information for this table may be sourced from MBRR (2009: Table SA34a)* T M.1

APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Capital Expenditure - Upgrade/Renewal Programme*

R '000

Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure - Total	**35,970**	**61,800**	**150,357**	**136,129**	**45,000**	**43,000**	**59,000**
Infrastructure: Road transport -Total	15,546	40,000	103,547	93,681	–	–	–
Roads, Pavements & Bridges	15,546	40,000	103,547	93,681			
Storm water							
Infrastructure: Electricity - Total	12,581	–	–	–	–	–	–
Generation							
Transmission & Reticulation	7,755						
Street Lighting	4,826						
Infrastructure: Water - Total	–	18,800	43,811	39,887	45,000	43,000	59,000
Dams & Reservoirs							
Water purification							
Reticulation		18,800	43,811	39,887	45,000	43,000	59,000
Infrastructure: Sanitation - Total	6,233	3,000	3,000	2,561	–	–	–
Reticulation	6,233	3,000	3,000	2,561			
Sewerage purification							
Infrastructure: Other - Total	1,609	–		–	–	–	–
Waste Management							
Transportation	1,330						
Other	280						
Community	**5,805**	**9,000**	**20,279**	**1,060**	**25,000**	**15,000**	**20,000**
Sportsfields & stadia	1,559	9,000	18,860	–	25,000	15,000	20,000
Swimming pools							
Community halls	2,496						
Libraries	407		0				
Recreational facilities	844		1,418	1,060			
Buses							
Clinics	499						
Social rental housing							
Heritage assets	–	–	–	–	–	–	–
Buildings							
Other							

Table continued next page

Table continued from previous page

Capital Expenditure - Upgrade/Renewal Programme*

R '000

Description	Year -1	Year 0			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Investment properties	–	–	–	–	–	–	–
Housing development							
Other							
Other assets	5,990	7,000	1,803	266	7,800	4,700	–
General vehicles							
Specialised vehicles							
Plant & equipment							
Computers - hardware/equipment							
Furniture and other office equipment							
Abattoirs							
Markets	520						
Civic Land and Buildings	402	7,000	1,762	266	7,800	4,700	
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other	5,068		41	–			
Agricultural assets	–	–	–	–	–	–	–
List sub-class							
Biological assets	–	–	–	–	–	–	–
List sub-class							
Intangibles	–	–	–	–	–	–	–
Computers - software & programming							
Other *(list sub-class)*							
Total Capital Expenditure on renewal of existing assets	47,764	77,800	172,439	137,455	77,800	62,700	79,000
Specialised vehicles	–	–	–	–	–	–	–
Refuse							
Fire							
Conservancy							
Ambulances							

** Note: Information for this table may be sourced from MBRR (2009: Table SA34b)* T M.2

APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2012/2013

Capital Programme by Project: Year 0					R' 000
Capital Project	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance (Act - Adj) %**	**Variance (Act - OB) %**
Water					
Upgrading of the Laboratory Infrastructure and Equipment	–	2,800	344	-714%	100%
Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir	12,000	12,000	9,992	-20%	-20%
Upgrade Water Networks (In terms of densification and augmentation)	6,000	6,000	5,972	0%	0%
Bulk Water Supply Newlands and Other Areas	1,000	1,000	947	-6%	-6%
Ward 33 Bulk Water Supply Scheme	3,000	3,000	2,028	-48%	-48%
Bulk Water Supply Coastal Areas	5,000	5,000	4,598	-9%	-9%
Winterstrand Water Supply	1,000	1,000	987	-1%	-1%
Nord Avenue Pump station	–	3,370	2,857	-	100%
Quinera Treatment Works	–	31,719	29,453	-0.076%	100%
Winterstrand Water Supply	–	115	115	0%	100%
Bulk Water Supply Newlands and other areas	–	52	52	0%	100%
Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir	–	13	13	0%	100%
Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir	–	52	52	0%	100%
Ward 33 Bulk Water Supply Scheme	–	25,011	25,011	0%	100%
Bulk Water Supply Coastal Areas	–	224	224	0%	100%
KWT & Bisho Infrastructure (Water)	–	2,500	2,500	0%	100%
Amahleke Water Supply	–	132	132	0%	100%
Coastal & Midlands Infrastructure	–	4	3	-3%	100%
Upgrading of the Laboratory Infrastructure and Equipment	2,800	–	–	-	-
KWT, Dimbaza and Bhisho Infrastructure(Water)	7,000	7,000	6,072	-15%	-15%
Relocation of Midblocks in Mdantsane	5,000	5,000	4,721	-6%	-6%
Amahleke Water Supply	3,000	3,000	2,561	-17%	-17%
Sanitation/Sewerage					
Bulk Sanitation Provision	152,608	–	–	-	-

Bufferstrip Sanitation	–	5,400	5,012	-8%	100%
Eastern Beach Sewers	–	5,000	4,897	-2%	100%
E.L Sewer Diversion Centre	–	26,500	18,754	-41%	100%
Inland Rural Sanitation Dimbaza	–	33,000	11,193	-195%	100%
Mdantsane Sewers Refurbishment	–	–	–	-	-
Nord Avenue Pump Station	–	4,000	–	-	-
Quinera Treatment Works	–	10,000	–	-	-
Reeston Phase 3 Bulk Service Sewer	–	26,500	7,096	-273%	100%
Sludge Handling Facility	–	724	472	-53%	100%
Waste Water Treatment Capacity Zwelitsha	–	26,500	–	-	-
Ablution Block / Chemical toilets	–	5,000	5,000	0%	100%
E.L Sewer Diversion Centre	–	1,526	1,526	0%	100%
West Bank Restitution - Water & Sanitation	–	4,853	4,853	0%	100%
Waste Water Treatment Capacity (Zwelitsha)	–	–	–	-	-
Waste Water Treatment Capacity (Zwelitsha)	–	22,595	17,114	-32%	100%
Reeston Phase 3 Bulk Services Sewer	–	6,346	6,346	0	100%
Bufferstrip Sanitation - Mdantsane	–	562	562	0%	100%
Diversion of Amalinda and Wilsonia effluent to Reeston	–	202	202	0%	100%
Inland Rural Sanitation (Dimbaza Villages,Ngxwalane and Kwalini)	–	10,048	10,048	0%	100%
Eastern Beach Sewers	–	89	89	0%	100%
Mdantsane Sewers Refurbishment	–	2,000	1,185	-69%	100%
Leiden Twinning -Sanitation	–	17	–	-	-
Electricity					
Electrification - Energy Efficient Street Lighting	10,000	10,000	10,000	0%	0%
Bulk Electricity Infrastructure Upgrade	5,000	5,000	4,745	-5%	-5%
Electrification - Reeston, Potsdam unit P, Infills Mdantsane, Dimbaza, Zwelitsha, Pakamisa, Bisho and Duncan Village	30,000	30,000	27,024	-11%	-11%
Electricity Infrastructure Network(2.47% Tarriff Increase - Ring Fenced)	27,851	10,212	10,191	0%	-173%
Electrification of Informal Dwelling in Duncan Village Areas	5,000	5,000	–	-	-
Replacement of Street lights			71	0%	100%

	–	71			
Electrification - Reeston, Potsdam unit P, Infills Mdantsane, Dimbaza, Zwelitsha, Pakamisa, Bisho and Duncan Village	–	6,254	6,254	0%	100%
Counter Funding - Electricity Infrastructure Network (2.47% Tariff increase - Ring fenced)	–	18,195	18,146	0%	100%
Housing					
Reeston Phase 3 Stage 2 -P1 & P3	10,000	10,000	10,000	0%	0%
Mdantsane Zone 18 CC Phase 2 - P1 & P3	2,000	2,000	22	-8911%	-8911%
Manyano & Thembelihle Phase 2 - P1 & P3	8,000	4,642	2,218	-109%	-261%
Second Creek (Turn Key) - P1 & P3	8,000	4,000	1,345	-197%	-495%
Block Yard TRA - P 1& P3	1,000	1,000	–	-	-
DVRI Pilot Project (Mekeni, Haven Hills, Competition Site) P1 & P3	2,500	2,500	1,377	-82%	-82%
Cluster 1 (Chris Hani, Ilinge, Mahlangu Village, Sisulu Village,Winnie Mandela,Deluxolo Village & Francis Mei) P1 & P3	3,706	339	–	-	-
Cluster 2 (Masibambane, Masibulele, Velwano, Gwentshe Village, Mathemba Vuso) P1 & P3	600	474	407	-16%	-47%
Cluster 3 (Fynbos Informal 1, Fynbos Informal 2, Ndancama) P1 & P3	7,412	1,077	–	-	-
Sunny South - P1 & P3	600	600	578	-4%	-4%
Reeston Phase 3: Stage 2 - P1 & P3	15,000	–	–	-	-
Reeston Phase3 Stage 3 - P1 & P3	1,000	1,000	1,000	0%	0%
Braelyn ext 10 - P1 & P3	300	300	–	-	-
C Section and Triangular Site - P1 & P3	270	270	–	-	-
D Hostel - P1 & P3	100	100	–	-	-
DVRI Pilot Project (Mekeni, Haven Hills, Competition Site) P1 & P3	2,500	–	–	-	-
DVRI Pilot Project 323 units (Mekeni, Competition site, Haven Hills)	–	2,687	–	-	-
Block Yard TRA - P3	–	669	–	-	-
Reeston Phase 3 Stage 2 -P3	–	5,500	5,220	-	100%
Ilitha - Eradication of Wooden housese to Formal Houses	–	622	–	-	-
Manyano & Thembelihle Phase 2-P3	–	2,000	2,000	0%	100%
Second Creek (Turn Key)-P3	–	8,000	8,000	0%	100%
Masibambane-P3	–	225	225	0%	100%
Masibulele-P3	–	149	149	0%	100%

Velwano	–	425	425	0%	100%
Gwentshe Village- P3	–	25	25	0%	100%
Fynbos Informal 1-P3	–	423	355	-19%	100%
Fynbos Informal 2-P3	–	500	–	-	-
Mathemba Vuso-P3	–	275	275	0%	100%
Deluxolo Village-P3	–	200	200	0%	100%
Francis Mei-P3	–	100	40	-152%	100%
Mahlangu Village-P3	–	200	126	-58%	100%
Sisulu Village-P3	–	300	–	-	-
Sunny South-P3	–	517	517	0%	100%
Block Yard TRA-P3	–	1,500	–	-	-
Westbank Restitution-P1	–	1,860	1,358	-37%	100%
Fynbos Informal 2-P2	–	250	–	–	–
Ndacama-P2	–	187	–	–	–
Ilitha - Eradication of Wooden Houses to Formal Houses	–	578	297	-94%	100%
Dimbaza Blind 27 Units - P1 & P3	–	100	–	-	-
Dimbaza 110 Units P1 & P3	–	290	175	-66%	100%
Tyutyu Phase 2 100 Units P1 & P3	–	290	155	-87%	100%
Airport Phase 2A Remaining 81 Units P1 & P3	–	200	200	0%	100%
Economic development					
BCMM Urban Agriculture Infrastructure Development	8,000	8,000	1,295	-518%	-518%
Economic Development Infrastructure (Heritage Route Development; Rollout of Informal Traders Stalls)	12,255	–	–	-	-
SMME Co-operative Support	–	1,000	612	-63%	100%
Market Cold Room system	–	6,000	6	-96609%	100%
Rural Development	–	2,000	1,027	-95%	100%
Tourism Infrastructure	–	1,255	795	-58%	100%
Trade and Investment Automative Centre	–	2,000	2	-84332%	100%
Tourism Infrastructure development	–	1,216	–	-	-
Buffalo city AGRIC & Rural Development Infrastructure			–	-	-

	–	803			
Extension of Sales Hall	–	1,999	1,641	-22%	100%
Roll- out Hydroponics	–	1,118	1,490	25%	100%
Sports, Arts & Culture					
Upgrading of Sport & Recreation Facilities	9,000	–	–	–	–
Redevelopment of Mdantsane NU 2 Swimming Pools & Upgrading of Waterworld	–	3,000	–	–	–
Removal of synthetic cricket wicket and contruction of a grass cricket wicket at Braelynn Extension Sportsfield & NU & Sportsfieldd	–	500	–	–	–
Upgrading Victoria Grounds	–	2,000	–	–	–
Upgrading of Sisa Dukashe ,New Lands,Ndevana Stadium	–	1,869	–	–	–
Upgrading of Bisho, Dimbaza ,Peelton ,Madramini & Victoria Grounds Stadium	–	6,372	–	–	–
Upgrading of Tsholomnqa ,Parkside,Needs Camp & North	–	1,620	–	–	–
Environment					
Development and Upgrading of Cemetries(Inland, Midland and Coastal)	5,000	5,000	2,621	-91%	-91%
Development of 3 New Cemetries(Inland, Midland and Coastal)Fencing Zwelitsha Cemetries	–	2,443	2,414	-1%	100%
Health					
"Project A"	–	–	–	–	–
"Project B"	–	–	–	–	–
Safety and Security					
KWT Traffic Building	3,000	600	–	–	–
Closed Circuit Television Network - CCTV	628	628	–	–	–
KWT Fire Station	6,000	6,000	1,993	-201%	-201%
New Fire Station (Ward 31,32,33)	500	500	–	-	-
Fire Station - KWT	–	3,209	3,209	0%	100%
Mdantsane Testing Centre	–	2,100	–	-	-
Security CCTV Beach Front	–	1,000	–	-	-
Traffic Vehicles	–	407	407	0%	100%
Learners Licence Centre - Mdantsane			–	--	-!

	–	800			
Flood Relocation (DM Structures)	–	41	–	-	-
Insurance Vehicle Replacement - M10/189	–	265	234	-13%	100%
Insurance Vehicle Replacement - M10/27	–	265	–	-	-
Insurance Vehicle Replacement - M09/131	–	220	220	0%	100%
ICT and Other					
Councillors Office Furniture	–	1,792	424	-322%	100%
Back up Generator-City Hall	1,500	1,500	–	–	–
Upgrading of City Hall	3,000	–	–	–	–
Garcia Flats Fencing	–	459	–	–	–
Computers	–	50	–	–	–
Furniture	–	100	54	-87%	100%
Recording System	–	20	17	-15%	100%
Office Furniture - Revenue Management	1,351	1,099	1,242	12%	-9%
Computer Equipment - Revenue Management	1,249	–	–	–	–
General Valuations	29,000	–	–	–	–
Pre-Payment Vending Machines	1,000	–	–	–	–
Councillor"s IT Requirements (Laptops)	–	109	29	-269%	100%
Electronic Attendance Control System	2,500	2,500	–	-	-
IT Systems (Asset management , SCM, Budget forecasting and Modelling, Demand Management System, Fuel Management System and Stock Coding System, Debt Management System)	20,000	20,000	14,191	-41%	-41%
IT Infrastructure Network	4,600	4,600	–	-	-
Disaster Recovery Centre ICT	4,500	4,500	3,013	-49%	-49%
Computer Equipment - BCMM	500	500	547	9%	9%
Upgrading of BCMM Website (including GIS on the Internet)	500	–	-	#DIV/0!	-
Telecommunication Network System	–	128	121	-6%	100%
Integrated Enterprise Resource Planning System	–	1,122	–	-	-
Radio Dara Network - Mdantane	–	5	5	0%	100%
Conferencing System	–	11	11	0%	100%

BCM IT Requirements (All directorates)	–	372	300	-24%	100%
Office Furniture	–	225	144	-56%	100%
Computer and Software	–	370	511	28%	100%
Computer Equipment - Revenue Management	–	1,501	1,423	-5%	100%
Pre-Payment Vending Machines	–	1,000	252	-297%	100%
BCMM Fleet Management System	3,100	3,100	-	-	-
BCMM Fleet	6,000	6,000	5,767	-4%	-4%
Traffic and Law Enforcement Fleet	–	2,645	1,955	-35%	100%
Insurance vehicle replacement - M10/172	–	500	445	-12%	100%
Insurance vehicle replacement - M10/42	–	560	–	-	-
Upgrading of KWT Payments Hall	4,000	–	–	-	-
Insurance vehicle replacement - M10/32	–	152	143	-6%	100%
Land Acquisition	12,764	16,764	9,662	-74%	-32%
Potsdam/Needscamp Bridge feasibility Study	–	234	205	-14%	100%
Bus Rapid Transit	78,702	3,000	133	-2150%	-58923%
Construction of BRT lines	–	30,000	–	–	–
Integrated Transport Plan Implementation	3,000	3,000	–	–	–
Public Transport Facilities	23,000	6,000	–	–	–
Gonubie Main Road	15,000	45,000	44,885	0%	67%
N2/R72 Link Road Survey	1,200	–	–	–	–
Traffic Management Measures	–	1,289	–	–	–
Guidance Signage	–	586	–	–	–
Rural Non Motorised Transport Facilities (Ndevana Bridge)	–	178	178	0%	100%
Public Transport Facilities - Taxi Ranks	–	2,356	959	-146%	100%
Gonubie Main Road	–	16,093	16,093	0%	100%
Sleeper Site Current Year R12 764 000	–	3,236	295	-998%	100%
Land Acquisition -General	–	347	–	-	-
Land Acquisition -General	–	5,517	5,517	0%	100%
Upgrade of Market	–	357	304	-18%	100%

Upgrading of City Hall	–	825	266	-210%	100%
KWT Civic Centre Payments Hall Upgrade	–	478	–	–	–
Development of Community Parks(Inland, Midlands and Coastal)	2,000	2,000	–	–	–
Development and Upgrading of Community Halls	4,000	4,000	–	–	–
Continuation of refurbishment of KWT Hall/ Cambridge	–	1,355	207	-556%	100%
Insurance vehicle replacement - M11/55	–	285	254	-12%	100%
Upgrading of Esplanade	–	2,000	–	–	–
Upgrading of Aquarium	–	750	–	–	–
Upgrading of Gonubie Boardwalk	–	750	–	–	–
Upgrading of Zoo offices & ablution blocks	–	550	530	-4%	100%
Fencing of Zoo c/o	–	368	93	-297%	100%
Intergrated Beach Front hub	–	500	437	-14%	100%
Rehabilitation of Landfill Sites	5,000	–	-	–	–
Mdantsane N.U.2 Site	–	2,500	–	–	–
KWT (Tannery Site)	–	2,500	–	–	–
Development of Community Parks(Mdantsane, Potsdam, Reeston)	–	473	160	-195%	100%
Insurance Asset Replacement	–	10,000	1,756	-470%	100%
Refuse removal					
Grass cutting equipment	–	1,129	98	-1056%	100%
Purchase of 7 Refuse Compactor Trucks - Mdantsane	–	10,497	8,669	-21%	100%
Purchase of 3 Refuse Compactor Trucks - Mdantsane	–	4,500	2,890	-56%	100%
Purchase of 2 x LDV Bakkies	–	460	–	-	-
Purchase of 1 x Load Lugger	–	800	652	-23%	100%
Refuse 5 Compactor Trucks - Coastal Region	–	1,986	1,445	-37%	100%
Vehicles for Solid Waste Supervisors, Safety Officers, District Cleansing Officers and Superintendants - 9 x Sedans, 8 LDV's, 3 x Double Cabs, 2 x 3 Ton Trucks (Inland, Midlands and Coastal Areas)	–	1,646	1,557	-6%	100%
Designs of the Central Transfer Station	3,000	–	–	–	–
Solid waste management Prog- Weigh Bridge KWT	–	1,015	–	–	–
Solid waste management- Secondary Road Berlin Land Fill Site	–	1,000	–	–	–

Solid Waste Management	–	36,000	–	–	–
Leiden Twinning -Floodpain	–	488	–	–	–
Leiden Twinning -Solid waste drop- Off points	–	975	–	–	–
Leiden Twinning -Solid waste		513	–	–	–
Construction of the Third Cell	15,000	15,000	–	–	–
Stormwater					
Mdantsane Roads	60,000	60,000	45,686	-31%	-31%
West Bank Restitution	15,000	15,000	2,865	-424%	-424%
Quenera Main Roads	5,000	5,000	4,195	-19%	-19%
BCMM Roads Upgrade	30,000	50,000	40,471	-24%	26%
Rehabilitation of Rural Roads	10,000	10,000	9,663	-3%	-3%
Rehabilitation of Rural Roads Upgrade	–	26,098	26,098	0%	100%
Mdantsane Roads	–	12,596	12,596	0	100%

T N

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2012/2013

Capital Programme by Project by Ward: 2012/2013		R' 000
Capital Project	**Ward(s) affected**	**Works completed (Yes/No)**
Water		
Upgrading of the Laboratory Infrastructure and Equipment	Not Applicable	
Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir	1 - 33, 42,46,47,48 & 50	
Upgrade Water Networks (In terms of densification and augmentation)	Not Applicable	
Bulk Water Supply Newlands and Other Areas	13-23	
Ward 33 Bulk Water Supply Scheme	33	
Bulk Water Supply Coastal Areas	31,33	
Winterstrand Water Supply	31	
Nord Avenue Pump station	Not Applicable	
Quinera Treatment Works	28	
Winterstrand Water Supply	31	
Bulk Water Supply Newlands and other areas	13-23	
Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir	12, 13	
Augmentation of Water Treatment Capacity - Umzonyana/Raising Upper weir	2	
Ward 33 Bulk Water Supply Scheme	33	
Bulk Water Supply Coastal Areas	Coastal Wards	
KWT & Bisho Infrastructure (Water)	35,41,43	
Amahleke Water Supply	36	
Coastal & Midlands Infrastructure	1-50	
Upgrading of the Laboratory Infrastructure and Equipment	Not Applicable	
KWT, Dimbaza and Bhisho Infrastructure(Water)	34,37,38,39,40,41,43,44,49,35,	
Relocation of Midblocks in Mdantsane	11,12,13,14,42,48,50,17,20,23	
Amahleke Water Supply	36	
Sanitation/Sewerage		
Bulk Sanitation Provision	28,4,41,13,16,14,21,22'5,16,27'31'32'33,47,11	
Bufferstrip Sanitation	28,4,41,13,16,14,21,22'5,16,27'31'32'33,47,11	
Eastern Beach Sewers	28,4,41,13,16,14,21,22'5,16,27'31'32'33,47,11	

APPENDICES

Capital Programme by Project by Ward: 2012/2013		R' 000
Capital Project	**Ward(s) affected**	**Works completed (Yes/No)**
E.L Sewer Diversion Centre	28,4,41,13,16,14,21,22'5,16,27'31'3 2'33,47,11	
Inland Rural Sanitation Dimbaza	28,4,41,13,16,14,21,22'5,16,27'31'3 2'33,47,11	
Mdantsane Sewers Refurbishment	28,4,41,13,16,14,21,22'5,16,27'31'3 2'33,47,11	
Nord Avenue Pump Station	28,4,41,13,16,14,21,22'5,16,27'31'3 2'33,47,11	
Quinera Treatment Works	28,4,41,13,16,14,21,22'5,16,27'31'3 2'33,47,11	
Reeston Phase 3 Bulk Service Sewer	28,4,41,13,16,14,21,22'5,16,27'31'3 2'33,47,11	
Sludge Handling Facility	28,4,41,13,16,14,21,22'5,16,27'31'3 2'33,47,11	
Waste Water Treatment Capacity Zwelitsha	28,4,41,13,16,14,21,22'5,16,27'31'3 2'33,47,11	
Ablution Block / Chemical toilets	28,4,41,13,16,14,21,22'5,16,27'31'3 2'33,47,11	
E.L Sewer Diversion Centre	28,4,41,13,16,14,21,22'5,16,27'31'3 2'33,47,11	
West Bank Restitution - Water & Sanitation	28,4,41,13,16,14,21,22'5,16,27'31'3 2'33,47,11	
Waste Water Treatment Capacity (Zwelitsha)	28,4,41,13,16,14,21,22'5,16,27'31'3 2'33,47,11	
Waste Water Treatment Capacity (Zwelitsha)	28,4,41,13,16,14,21,22'5,16,27'31'3 2'33,47,11	
Reeston Phase 3 Bulk Services Sewer	28,4,41,13,16,14,21,22'5,16,27'31'3 2'33,47,11	
Bufferstrip Sanitation - Mdantsane	28,4,41,13,16,14,21,22'5,16,27'31'3 2'33,47,11	
Diversion of Amalinda and Wilsonia effluent to Reeston	28,4,41,13,16,14,21,22'5,16,27'31'3 2'33,47,11	
Inland Rural Sanitation (Dimbaza Villages,Ngxwalane and Kwalini)	28,4,41,13,16,14,21,22'5,16,27'31'3 2'33,47,11	
Eastern Beach Sewers	28,4,41,13,16,14,21,22'5,16,27'31'3 2'33,47,11	
Mdantsane Sewers Refurbishment	28,4,41,13,16,14,21,22'5,16,27'31'3 2'33,47,11	
Leiden Twinning -Sanitation	28,4,41,13,16,14,21,22'5,16,27'31'3 2'33,47,11	
Electricity		
Electrification - Energy Efficient Street Lighting	11,12,14,17, 20,21,22,23 ,30	
Bulk Electricity Infrastructure Upgrade	16, 18	

APPENDICES

Capital Programme by Project by Ward: 2012/2013		R' 000
Capital Project	**Ward(s) affected**	**Works completed (Yes/No)**
Electrification - Reeston, Potsdam unit P, Infills Mdantsane, Dimbaza, Zwelitsha, Pakamisa, Bisho and Duncan Village	13,25,43,34, 6	
Electricity Infrastructure Network(2.47% Tarriff Increase - Ring Fenced)	2,7,15,16,44	
Electrification of Informal Dwelling in Duncan Village Areas	1,2, 7, 8, 9,10	
Replacement of Street lights	All Wards	
Electrification - Reeston, Potsdam unit P, Infills Mdantsane, Dimbaza, Zwelitsha, Pakamisa, Bisho and Duncan Village	13,25,43,34, 6	
Counter Funding - Electricity Infrastructure Network (2.47% Tariff increase - Ring fenced)	1,2, 7, 8, 9,10	
Housing		
Reeston Phase 3 Stage 2 -P1 & P3	12	
Mdantsane Zone 18 CC Phase 2 - P1 & P3	21	
Manyano & Thembelihle Phase 2 - P1 & P3	17	
Second Creek (Turn Key) - P1 & P3	19	
Block Yard TRA - P 1& P3	6	
DVRI Pilot Project (Mekeni, Haven Hills, Competition Site) P1 & P3	19	
Cluster 1 (Chris Hani, Ilinge, Mahlangu Village, Sisulu Village,Winnie Mandela,Deluxolo Village & Francis Mei) P1 & P3	48,21,11,17,11,50	
Cluster 2 (Masibambane, Masibulele, Velwano, Gwentshe Village, Mathemba Vuso) P1 & P3	17,14,12	
Cluster 3 (Fynbos Informal 1, Fynbos Informal 2, Ndancama) P1 & P3	10	
Sunny South - P1 & P3	31	
Potsdam Ikhwezi Block 1 - P1 & P3	23,24	
Potsdam Ikhwezi Block 2 - P1 & P3	23,24	
Potsdam Ikhwezi Block 2- P1	23,24	
Potsdam North Kanana - P1	23,24	
Amalinda Co- op P1 & P3	9	
Amalinda Fairlands P1 & P2	9	
Reeston Phase 3: Stage 2 - P1 & P3	13	
Reeston Phase3 Stage 3 - P1 & P3	13	
Braelyn ext 10 - P1 & P3	9	
C Section and Triangular Site - P1 & P3	2,7	
D Hostel - P1 & P3	7	
DVRI Pilot Project (Mekeni, Haven Hills, Competition Site) P1 & P3	1,10	
DVRI Pilot Project 323 units (Mekeni, Competition site, Haven Hills)	1,10	

Capital Programme by Project by Ward: 2012/2013		R' 000
Capital Project	**Ward(s) affected**	**Works completed (Yes/No)**
Block Yard TRA - P3	6	
Reeston Phase 3 Stage 2 -P3	12	
Ilitha - Eradication of Wooden housese to Formal Houses	45	
Manyano & Thembelihle Phase 2-P3	30	
Second Creek (Turn Key)-P3	19	
Masibambane-P3	48,12,21,11,17,11,20	
Masibulele-P3	48,12,21,11,17,11,20	
Velwano	48,12,21,11,17,11,20	
Gwentshe Village- P3	17,14,	
Fynbos Informal 1-P3	10	
Fynbos Informal 2-P3	10	
Mathemba Vuso-P3	17,14,	
Deluxolo Village-P3	17,14,	
Francis Mei-P3	17,14,	
Mahlangu Village-P3	17,14,	
Sisulu Village-P3	17,14,	
Sunny South-P3	31	
Block Yard TRA-P3	6	
Westbank Restitution-P1	46	
Fynbos Informal 2-P2	10	
Ndacama-P2	10	
Ilitha - Eradication of Wooden Houses to Formal Houses	45	
Dimbaza Blind 27 Units - P1 & P3	36	
Dimbaza 110 Units P1 & P3	36	
Tyutyu Phase 2 100 Units P1 & P3	43	
Airport Phase 2A Remaining 81 Units P1 & P3		
Refuse removal		
Grass cutting equipment	1 - 50	
Purchase of 7 Refuse Compactor Trucks - Mdantsane	1 - 50	
Purchase of 3 Refuse Compactor Trucks - Mdantsane	1 - 50	
Purchase of 2 x LDV Bakkies	1 - 50	
Purchase of 1 x Load Lugger	1 - 50	
Refuse 5 Compactor Trucks - Coastal Region	1 - 50	

Capital Programme by Project by Ward: 2012/2013		R' 000
Capital Project	**Ward(s) affected**	**Works completed (Yes/No)**
Vehicles for Solid Waste Supervisors, Safety Officers, District Cleansing Officers and Superintendants - 9 x Sedans, 8 LDV's, 3 x Double Cabs, 2 x 3 Ton Trucks (Inland, Midlands and Coastal Areas)	1 - 50	
Designs of the Central Transfer Station	1 - 50	
EIA	1 - 50	
FENCING	1 - 50	
DESIGN	1 - 50	
Solid waste management Prog- Weigh Bridge KWT	1 - 50	
Solid waste management- Secondary Road Berlin Land Fill Site	1 - 50	
Solid Waste Management	1 - 50	
Leiden Twinning -Floodpain	1 - 50	
Leiden Twinning -Solid waste drop- Off points	1 - 50	
Leiden Twinning -Solid waste	1 - 50	
Construction of the Third Cell	1 - 50	
Stormwater		
Mdantsane Roads	11;12,20-23,17,	
West Bank Restitution	46	
Quenera Main Roads	28	
BCMM Roads Upgrade	5,25,34,39,44	
Rehabilitation of Rural Roads	24-27,31-33,34,39,44	
Rehabilitation of Rural Roads Upgrade	24-27,31-33,34,39,44	
Mdantsane Roads	24-27,31-33,34,39,44	
Economic development		
BCMM Urban Agriculture Infrastructure Development	All Wards	
Economic Development Infrastructure (Heritage Route Development; Rollout of Informal Traders Stalls)	All Wards	
SMME Co-operative Support	All Wards	
Market Cold Room system	All Wards	
Rural Development	All Wards	
Tourism Infrastructure	All Wards	
Trade and Investment Automative Centre	All Wards	
Tourism Infrastructure development	All Wards	
Buffalo city AGRIC & Rural Development Infrastructure	All Wards	

Capital Programme by Project by Ward: 2012/2013		R' 000
Capital Project	**Ward(s) affected**	**Works completed (Yes/No)**
Extension of Sales Hall	All Wards	
Roll- out Hydroponics	All Wards	
Sports, Arts & Culture		
Upgrading of Sport & Recreation Facilities	7,12,13,28,29,35,37,38,41,44	
Redevelopment of Mdantsane NU 2 Swimming Pools & Upgrading of Waterworld	7,12,13,28,29,35,37,38,41,44	
Removal of synthetic cricket wicket and contruction of a grass cricket wicket at Braelynn Extension Sportsfield & NU & Sportsfields	7,12,13,28,29,35,37,38,41,44	
Upgrading Victoria Grounds	7,12,13,28,29,35,37,38,41,44	
Upgrading of Sisa Dukashe ,New Lands,Ndevana Stadium	7,12,13,28,29,35,37,38,41,44	
Upgrading of Bisho, Dimbaza ,Peelton ,Madramini & Victoria Grounds Stadium	7,12,13,28,29,35,37,38,41,44	
Upgrading of Tsholomnqa ,Parkside,Needs Camp & North	7,12,13,28,29,35,37,38,41,44	
Environment		
Development and Upgrading of Cemetries(Inland, Midland and Coastal)	Institutional No Wards Applicable	
Development of 3 New Cemetries(Inland, Midland and Coastal)Fencing Zwelitsha Cemetries	Institutional No Wards Applicable	
Health		
Safety and Security		
KWT Traffic Building	Institutional No Wards Applicable	
Closed Circuit Television Network - CCTV	Institutional No Wards Applicable	
KWT Fire Station	25,35,37,38,39,40,41,43,44,45,49	
New Fire Station (Ward 31,32,33)	31,32,33	
Fire Station - KWT	Institutional No Wards Applicable	
Mdantsane Testing Centre	Institutional No Wards Applicable	
Security CCTV Beach Front	Institutional No Wards Applicable	
Traffic Vehicles	Institutional No Wards Applicable	
Learners Licence Centre - Mdantsane	Institutional No Wards Applicable	
Flood Relocation (DM Structures)	Institutional No Wards Applicable	
Insurance Vehicle Replacement - M10/189	Institutional No Wards Applicable	
Insurance Vehicle Replacement - M10/27	Institutional No Wards Applicable	

Capital Programme by Project by Ward: 2012/2013		R' 000
Capital Project	**Ward(s) affected**	**Works completed (Yes/No)**
Insurance Vehicle Replacement - M09/131	Institutional No Wards Applicable	
ICT and Other		
Councillors Office Furniture	Institutional No Wards Applicable	
Councillor"s IT Requirements (Laptops)	Institutional No Wards Applicable	
Back up Generator-City Hall	Institutional No Wards Applicable	
Upgrading of City Hall	Institutional No Wards Applicable	
Garcia Flats Fencing		
Computers	Institutional No Wards Applicable	
Furniture	Institutional No Wards Applicable	
Recording System	Institutional No Wards Applicable	
Office Furniture - Revenue Management	Institutional No Wards Applicable	
Computer Equipment - Revenue Management	Institutional No Wards Applicable	
Meter Reading Handheld Machines	Institutional No Wards Applicable	
General Valuations	Institutional No Wards Applicable	
KWT Civic Centre Payments Hall Upgrade	Institutional No Wards Applicable	
Pre-Payment Vending Machines	Institutional No Wards Applicable	
Councillor"s IT Requirements (Laptops)	Institutional No Wards Applicable	
Electronic Attendance Control System	Institutional No Wards Applicable	
IT Systems (Asset management , SCM, Budget forecasting and Modelling, Demand Management System, Fuel Management System and Stock Coding System, Debt Management System)	Institutional No Wards Applicable	
IT Infrastructure Network	Institutional No Wards Applicable	
Disaster Recovery Centre ICT	Institutional No Wards Applicable	
Computer Equipment - BCMM	Institutional No Wards Applicable	
Upgrading of BCMM Website (including GIS on the Internet)	Institutional No Wards Applicable	
Telecommunication Network System	Institutional No Wards Applicable	
Integrated Enterprise Resource Planning System	Institutional No Wards Applicable	
Radio Dara Network - Mdantane	Institutional No Wards Applicable	
Conferencing System	Institutional No Wards Applicable	
BCM IT Requirements (All directorates)	Institutional No Wards Applicable	
Office Furniture	Institutional No Wards Applicable	
Computer and Software	Institutional No Wards Applicable	
Computer Equipment - Revenue Management	Institutional No Wards Applicable	
Pre-Payment Vending Machines	Institutional No Wards Applicable	

APPENDICES

Capital Programme by Project by Ward: 2012/2013		R' 000
Capital Project	**Ward(s) affected**	**Works completed (Yes/No)**
BCMM Fleet Management System	Institutional No Wards Applicable	
BCMM Fleet	Institutional No Wards Applicable	
Traffic and Law Enforcement Fleet	Institutional No Wards Applicable	
Insurance vehicle replacement - M10/172	Institutional No Wards Applicable	
Insurance vehicle replacement - M10/42	Institutional No Wards Applicable	
Upgrading of KWT Payments Hall	Institutional No Wards Applicable	
Insurance vehicle replacement - M10/32	Institutional No Wards Applicable	
Land Acquisition	Institutional No Wards Applicable	
Potsdam/Needscamp Bridge feasibility Study	23	
Bus Rapid Transit	1, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 2, 20, 21, 22, 23, 24, 25, 28, 3, 4, 5, 6, 7, 8, 9	
Construction of BRT lines	1, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 2, 20, 21, 22, 23, 24, 25, 28, 3, 4, 5, 6, 7, 8, 9	
Integrated Transport Plan Implementation	Institutional No Wards Applicable	
Public Transport Facilities	1, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 2, 20, 21, 22, 23, 24, 25, 28, 3, 4, 5, 6, 7, 8, 9	
Gonubie Main Road	27,28	
N2/R72 Link Road Survey	46,31,10,16,8,19	
Traffic Management Measures	Institutional No Wards Applicable	
Guidance Signage	Institutional No Wards Applicable	
Rural Non Motorised Transport Facilities (Ndevana Bridge)	49	
Public Transport Facilities - Taxi Ranks	37	
Gonubie Main Road	27,28	
Sleeper Site		
Land Acquisition -General	Institutional No Wards Applicable	
Land Acquisition -General	Institutional No Wards Applicable	
Upgrade of Market	Institutional No Wards Applicable	
Upgrading of City Hall	Institutional No Wards Applicable	
KWT Civic Centre Payments Hall Upgrade	Institutional No Wards Applicable	
Development of Community Parks(Inland, Midlands and Coastal)	Inland, Midlands and Coastal Wards	
Development and Upgrading of Community Halls		
Continuation of refurbishment of KWT Hall/ Cambridge	Institutional No Wards Applicable	
Insurance vehicle replacement - M11/55	Institutional No Wards Applicable	

Capital Programme by Project by Ward: 2012/2013		R' 000
Capital Project	**Ward(s) affected**	**Works completed (Yes/No)**
Upgrading of Esplanade	Institutional No Wards Applicable	
Upgrading of Aquarium	Institutional No Wards Applicable	
Upgrading of Gonubie Boardwalk	27,28	
Upgrading of Zoo offices & ablution blocks	Institutional No Wards Applicable	
Fencing of Zoo c/o	Institutional No Wards Applicable	
Intergrated Beach Front hub	Institutional No Wards Applicable	
Rehabilitation of Landfill Sites	Institutional No Wards Applicable	
Mdantsane N.U.2 Site	42	
KWT (Tannery Site)	35	
Development of Community Parks(Mdantsane, Potsdam, Reeston)	23	
Insurance Asset Replacement	Institutional No Wards Applicable	
		T O

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

No information is available in this regard.

APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

No information is available in this regard.

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Not applicable – no loans were made during the period under review.

APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcome/Output	**Progress to date**	**Number or Percentage Achieved**
Output: Improving access to basic services	Housing: 4394 housing units and 5570 internal services planned for 2012 to 2015	432 in 2012/13
	Water : have 98% access to potable water according to RDP standards	
	Sanitation: 76.7% of the population in formal settlements and 67% of informal settlements have access to sanitation in line with RDP standards	
	Electricity: 1,554 new connections in 2012/13	
Output: Implementation of the Community Work Programme	BCMM has various community work/special programme groups, including: Metro Aids Council, Women's Caucus and Youth Advisory Centres. The Mayor's office also hosts annual Christmas outreaches to children and the aged	
Output: Deepen democracy through a refined Ward Committee model	Bi-monthly ward committee meetings held; Quarterly public meetings held	
Output: Administrative and financial capability	BCMM is undergoing an organisational restructuring exercise to restructure its function and structure correctly as a metropolitan municipality	
	Appointment of a new Chief Financial Officer The surplus for the year is R230m which is a favourable variance of R303m in comparison to the budgeted deficit of R73m.	
** Note: Some of the outputs detailed on this table may have been reported elsewhere in the Annual Report. Kindly ensure that this information consistent.*		
T S		

VOLUME II

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Provide the Annual Financial Statements (AFS) to the respective financial year as submitted to the Auditor-General. The completed AFS will be Volume II of the Annual Report.

APPENDICES

PERFORMANCE REPORT.

[In terms of section 46 of the Local Government: Municipal Systems Act, 2000.]

MUNICIPAL VISION AND MISSION

Through strategic planning sessions, leadership of the municipality has refined the vision and mission of the institution to be more robust, comprehensible and realistic, thus making it a useful instrument in guiding the actions of the City, its citizens and key stakeholders in the development process.

The long term vision and mission of Buffalo City Metropolitan Municipality is to be "a responsive, people centered and developmental City" which:

- Promotes a culture of good governance;
- Provides effective and efficient municipal services;
- Invests in the development and retention of human capital to service the City and its community;
- Promotes social and equitable economic development;
- Ensures municipal sustainability and financial viability;
- Creates a safe and healthy environment; and
- Places Batho Pele principles at the centre of service delivery

CORE VALUES

Buffalo City Metropolitan Municipality espouses the following values and commits to serving its communities and providing services in a manner that is consistent with these:

- Integrity
- Good Governance
- Transparency
- Accountability
- Fairness and equity
- Professionalism
- Loyalty
- Service Excellence
- Respect for cultural diversity
- Unity of purpose

1. Ubuntu

KEY STRATEGIC OBJECTIVES

Emanating from a situational analysis undertaken towards development of the IDP, Buffalo City Metropolitan Municipality identified a number of challenges and constraints which impact on the way in which the municipality functions and fulfills its mandate. Challenges confronting the Metro include revenue, management of resources, inefficiencies that limit the manner in which the City interfaces with communities, ageing infrastructure and deferred maintenance, structural inefficiencies that result in poor service delivery standards, low economic growth and a high rate of unemployment and vulnerable environmental assets and natural resources.

To address the challenges identified and work towards realization of its vision, the City has identified six strategic focal areas and set the following long-term strategic objectives:

BCMM 1: To be a financially sound organisation that efficiently manages its resources;

BCMM 2: To be an institutionally efficient and effective City that inclusively works with communities;

BCMM 3: To generate an enabling environment for an economy that is growing, diversifying, generating increasing number of sustainable employment opportunities and contributing to increased incomes and equality;

BCMM 4: To deliver sustainable infrastructure that support social and economic development;

BCMM 5: To be a well-structured and capacitated institution that renders effective and efficient services to all by 2016

BCMM 6: To enhance and protect all environmental assets and natural resources within Buffalo City Metropolitan Municipality by 2016

The Metro has aligned the key strategic objectives and strives to attain them within the context of the five key local government performance areas which are:

Basic Service Delivery and Infrastructure Development

Municipal Transformation and Organisational Development

Municipal Financial Viability and Management

Local Economic Development

Good Governance and Public Participation

STRATEGIC FOCAL AREAS

Taking into account the prevailing economic environment and global factors that impact on development, the City has made significant inroads to address key development challenges within the municipality. There is however, more work to be done towards addressing the identified focal areas.

Over the next five year term the City will concentrate on the six [6] strategic focal areas outlined below.

Creation of integrated and sustainable human settlements

The focus over the past years has been on delivering basic needs and housing. In spite of the remaining backlogs major strides have been in this regard, however, there still remains a huge challenge in terms of ensuring that we do not just deliver houses but create integrated and sustainable settlements.

The challenge is not only about providing basic services and housing, but is also about 'building sustainable human settlements' where residents have access to social and community facilities, economic opportunities, a healthy and sustainable environment and where opportunities can be accessed through convenient public transport and a safe road network.

Integral to the creation of 'sustainable human settlements' is, integrated planning and implementation. The Metro is currently in the process of developing an 'Integrated Sustainable Human Settlement Plan', which will guide future investment and development.

Creation of integrated and sustainable human settlements will directly contribute towards building of strong and integrated communities that manifest resilience against social, economic and natural adversities.

Economic growth and job creation

The City acknowledges that low economic growth and a high rate of unemployment are still prevalent and present a major challenge.

This further translates to relatively high levels of poverty which is widespread within the City.

High levels of poverty are apparent in the statistics from last Census where approximately 70% of households in the City indicated an income of less than R1500 per month, with 28% of all households indicating no income at all. Unemployment rate with the Metro is estimated to be about 24%.

One of the threats to the future development of Buffalo City Metro is lack of appropriate education and skills levels. A significant portion of the Metro's potential labour force have not attended school or completed their primary phase. Further, according to the last Census conducted in 2001 only 21% of the

City's 20 years and above population, had grade 12, 16% had post–school education and only 17% of 15 - 24 year olds were enrolled in post-school study. The recent 2007 community survey revealed a slight improvement.

To arrest the situation over the next five years the City will make concerted efforts, through its various programmes, in particular local economic development programmes, to attract investors into the City and thus contribute towards the national imperative of job creation.

Buffalo City also contains a number of strengths to build upon for growth and development. A coastal location, unspoilt nature, a well-performing automotive industry and the status of being the capital of the Eastern Cape Province are a few of these comparative advantages to exploit in order to combat poverty and create jobs.

Access and mobility

It is common knowledge that within the City access to basic household and community services are less than optimal. Mobility to access services if further constrained by a fragmented spatial form which is largely attributable to flawed apartheid spatial planning patterns. There are also disparities in how rural and urban communities access services, with provision of services biased in favour of urban services. The disparities will have to be addressed in a manner that makes no distinction between rural and urban areas.

To improve mobility within the Metro will also require expediting the implementation of the Integrated Transport Plan including the transport corridor with feeder system, connecting the urban nodes along the "spine" of Buffalo City stretching from East London via Mdantsane, King William's Town/Bhisho to Dimbaza.

Equitable provision of services

In the next five years the City will ensure that residents have equal access to the services they are entitled to. Some areas, by virtue of their location do not receive certain services. For instance, most rural areas are not provided with a refuse removal service and do not benefit from free basic electricity, water and sanitation services. Disparities in provision of services also exist within the urban areas wherein standards of services vary.

Financial and Environmental sustainability

In order for the Metro to fulfill its mandate as stipulated in the Constitution of the country, there is a need to maintain financial viability and expand its revenue base in relation to expenditure. This requires robust strategies to turn around the current predicament and ensure that the City is a financially sound position over the next five years and beyond.

With regard to environmental sustainability, Buffalo City Metropolitan Municipality area is geographically and environmentally diverse

with a range of ecosystems, from coastal to forested areas in the hinterland. Many of these areas are conservation worthy; subtropical thicket; wetlands; river systems; cultural sites; rare and endangered species; and of particular importance, economically and biophysically, is the 70 km of coastline. Pressures on the biophysical environment impact on the state and quality of the natural environment and consequently the health, well-being and opportunities of present and future generations.

Good Governance and effective leadership

Corruption and poor service delivery undermines the credibility of the state. Poor state credibility leads to a democratic deficit undermining democracy and investment confidence. A weak local government leads to low investor confidence for both state and private sector decisions. Poor governance leads to poor economic performance.

A well-governed city means that a clear and transparent agenda for the long term strategic work is formulated in co-operation with all stakeholders and communicated to all parties affected by the development process. A well-governed city is dependent on a reciprocal approach by other government spheres and agencies. Increased community feedback and engagement and improved customer reciprocity are other mitigating measures to apply in a democratic and well-governed city.

It also means that quality basic services are provided through a financially sound and clear investment framework, which is aligned with the interventions by other public sector providers of basic services.

Going forward, Buffalo City Metro will strive to become a well governed City.

Legislative Background:

In terms of section 46 of the Local Government: Municipal Systems Act, a municipality must prepare for each financial year a performance report reflecting –

- the municipality's, and any service provider's, performance during that financial year, also in comparison with targets of and with performance in the previous financial year;
- the development and service delivery priorities and the performance targets set by the municipality for the following financial year; and
- measures that were or are to be taken to improve performance.

This Performance Report forms part of the Annual Financial Statements.

The report comprises the following matters which are dealt with in each Chapter of this Annual Report.

The municipality's performance during the year under review [2012/2013].

Service provider performance during the year under review [2012/2013].

The other matters required by National Treasuey Circular No 11 are covered elsewhere in the Annual Report part 1

APPENDICES

Chapter 1

The municipality's performance during the year under review [2012/2013] with a comparison with targets and performance in the previous financial year [2011/2012.

The 4th Quarter 2012 / 2013 Institutional Scorecard and the Scorecard containing Service Delivery Targets which forms part of the 4th Quarter 2012 / 2013 Service Delivery and Budget Implementation Plan are attached as Annexures A and B to this report. These two [2] documents set out:

- Institutional Performance as measured against the approved Integrated Development Plan in respect of the year under review
- Annual Performance as measured against the approved Service Delivery and Budget Implementation Plan [Part 4 - Service Delivery Targets] in respect of the year under review.

The Performance Indicators and Targets contained in these two [2] documents are similar in construction and the analysis of performance reveals substantially similar results.

Non-Financial Performance:

The following tables sets out the overall performance against each of the Scorecards.

The Scorecards reflect, in brief, reasons for underperformance and remedial actions.

Institutional Scorecard:

		2012 / 2013			2011 / 2012		
No	**Key Performance Area**	**Achieved**	**Not achieved**	**Total**	**Achieved**	**Not achieved**	**Total**
1	Municipal Transformation and Organisational Development	7	5	12	4	3	7
2	Basic Service Delivery and Infrastructure Development	21	26	47	23	31	54
3	Local Economic Development	6	-	6	8	8	16
4	Municipal Financial Viability and Management	9	1	10	7	5	12
5	Good Governance and Public Participation	8	4	12	8	4	12
	Total	51	36	87	50	51	101
	Calculated Percentage			58,6%			49,5 %

APPENDICES

The non-financial performance of the Buffalo City Metropolitan Municipality based on the Institutional Scorecard and the Service Delivery Indicators and Targets for the 2011/2012 financial year is calculated at 58,6% and 49,5% respectively.

Financial Performance:

The Financial Performance of each of the Directorates is set out in the table hereunder. The purpose of this is to weigh non-financial performance against financial performance.

Capital Project Budget vs. Expenditure per Directorate

		2012 / 2013			2011 / 2012
No	**Directorate**	**Budget [R000]**	**Actual Expenditure [R000]**	**%**	**%**
1	Municipal Manager's Office	206	98	48	85
2	Executive Support Services	3 851	495	13	14
3	Development Planning and Economic Development	160 956	85 514	53	14
4	Finance	5 871	2 243	38	38
5	Engineering Services	577 325	418 981	73	46
6	Corporate Services	35 603	19 662	55	67
7	Health and Public Safety	17 389	6 110	35	61
8	Community Services	120 528	23 690	20	52
9	Chief Operating Officer	56 374	36 692	65	21
	Total	**978 103**	**593 485**	**61**	**38**

Operating Project Budget vs. Expenditure per Directorate:

		2012 / 2013			2011 / 2012
No	**Directorate**	**Budget [R000]**	**Actual Expenditure [R000]**	**%**	**%**
1	Municipal Manager's Office	47 988	22 799	48	15
2	Executive Support Services	13 189	10 508	80	60
3	Development Planning and Economic Development	24 835	15 832	64	85
4	Finance	13 327	9 185	69	70
5	Engineering Services	15 349	12 034	78	98
6	Corporate Services	3 905	1 685	43	66
7	Health and Public Safety	2 842	2 117	74	17
8	Community Services	3 202	1 204	38	5
9	Chief Operating Officer	70 355	48 217	69	33
	Total	**194 992**	**123 581**	**63**	**51**

From the above tables it can be seen that the overall performance of the Municipality, as measured against both performance and financial targets, are substantially in line.

Chapter 2:

Service provider performance during the year under review [2012/2013].

A "service provider" is defined in the Local Government: Municipal Systems Act as "a person or institution or any combination of persons and institutions *which provide a municipal service*".

A "municipal service" is, in turn, defined as "a *service that a municipality in terms of its powers and functions provides … for the benefit of the local community* irrespective of whether –

[a] such service is provided … by the municipality through an internal mechanism contemplated in section 76 or by engaging an external mechanism contemplated in section 76."

While the Municipality has no appointed Service Providers who are participating in a form of a Public Private Partnership, there are a number of Service Providers who are performing services which support the rendering of Municipal Services. Included here are service providers who are constructing or supervising the construction of Municipal assets or providing similar services.

These Service Providers are reported on in this report for the first time. Accordingly, performance in the previous period i.e. 2011 / 2012 is not mentioned in this Chapter.

The contracts reported on are those of a material nature only. This includes major Electricity Works Contracts [classified ED] and major Engineering Works Contracts [classified BCC] as well as other Contracts considered to be of importance. Contracts for the simple supply of goods [or services which are not considered to be of a material nature] are not dealt with in this report.

These material contracts are set out in the attached Annexure C.

Building Plans 2012/13.

Category.	No of applications outstanding as at 1 July 2012.	No of applications received during period.	No of plans approved during period.	Total value of applications received.	Total value of plans approved.	No of applications outstanding as at 1 July 2013.
Residential new	*68*	*523*	*297*	*R239 802 618*	*R182 483 326*	*97*
Residential additions	*237*	*1814*	*1669*	*R435 715 810*	*R391 598 027*	*321*
Commercial	*12*	*93*	*21*	*R238 111 285*	*R235 311 852*	*18*
Industrial	*5*	*38*	*13*	*R212 721 563*	*R92 185 030*	*7*
Other	*54*	*369*	*135*	*R237 766 310*	*R149 022 165*	*96*
Totals	*376*	*2837*	*2165*	*R1 364 117 588*	*R1 050 600 401*	*539*

The minimum Turn Around Time for Approval of Building Plans is 60 days.

Zoning / Rezoning plans 2012/13

Category.	No of applications outstanding as at 1 July 2012.	No of applications received during period.	No approved during period.	No of applications outstanding as at 1 July 2013.
Residential new	7	9	1	8
Residential additions	0	0	0	0
Commercial	7	31	6	25
Industrial	0	3	1	2
Other	0	9	1	8
Totals	**14**	**52**	**9**	**43**

There is no minimum service standard, as applications are circulated to various stakeholders (internally and externally), e.g. BCMM Departments, Ward Councilors, Affected Residents, Provincial Government and Parastatals such as Telkom etc.

ANNEXURE C: SERVICE PROVIDER PERFORMANCE. Part 1

Contract No.	Contract description	Total Contract Value (incl variation order)	2012/13 Payments (Incl VAT)	Total Payment (Incl VAT)	2012/13 Capital Commitment Incl VAT)	Status Report / Performance against predicted timelines and / or other issues relating to performance.
ED 329	Supply Installation Testing & Commission of Bulk Electrical Supply Infrastructure to new Queenspark 132/11kV 40 MVA Substation	R 93 256 700	R 18 323 477	R 104 671 626.	R 1 641 012	Capital multi-year Project in progress, due for completion 2015
ED 348	MV/LV Reticulation and 1000 house service connection for Reeston	R 6 288 041	R 0.	R 6 913 644.	R 0.	Contract Completed
ED 352	MV/LV Reticulation and 236 house service connection for Potsdam East	R 1 641 395	R 0	R 1 743 054	R 0	Contract Completed
ED 357	MV/LV Reticulation and 200 Houses Services Connections for Reeston Phase 4	R 966 452	R 0	R 1 045 528	R 56 227	Contract Completed
ED 360	MV/LV Reticulation and 125 Houses Services Connections for Potsdam Unit P	R 1 447 903	R 0	R 1 568 319	R 82 290	Contract Completed

ED 361	MV/LV Reticulation And 900 House connections for Potsdam Unit P	R 6 647 669	R 628 393	R 628 393	R 6 949 949	Contract Completed
ED 362	Construction of Hydraulically Operated Highmast Lighting	R 718 573	R 0	R 752 450	R 66 723	Contract Completed
ED 363	MV/LV Reticulation and 350 House Service Connection for Kwaklif	R 2 458 773	R 606 480	R 2 567 192	R 235 808	Contract Completed
ED 364	Provision of Engineering Services For Low Cost Electrification Projects (Formal and Informal Dwellings) in BCM Area of Supply (3 Year Period)	R 2 713 775	R 0	R 0	R 3 093 704	Contract Completed
ED 365	Replacement of Damaged Electrical Boundary Boxes in the BCM Area (3 Year Period)	R 413 500	R 0	R 0	R 471 390	Contract in Progress
ED 366	MV/LV Reticulation and 500 House Service Connections for Sweetwater	R 3 993 547	R 4 192 876	R 4 192 876	R 359 767	Contract Completed
ED 368	MV/LV Reticulation and Zoo House Service Connection For Reeston Phase 5	R 934 453	R 541 138	R 541 087	R 524 189	Contract Completed

ANNEXURE C: SERVICE PROVIDER PERFORMANCE. Part 2

Contract No.	Contract description	Total Contract Value	Total Payments (Incl Vat)	2012/13 Capital Commitments	Status Report / Performance against predicted timelines and / or other issues relating to performance.
BCMM/DES/HM/1171/2011	Professional Team Required for Planning, Designing and Project Management of Sunnysouth : Housing Projects 540 Units/11	R 1 615 950	R 841 274	R 1 000 908	Contract in progress
BCMM/DES/HM/1172/2011	Township Establishment Phase 1: Rural Settlement Development Plan	R 343 265	R 0	R 391 323	Contract in progress.
BCMM/DES/HM/1175/2011	Professional Team Required for Planning, Designing and Project Management of Reeston Phase 3 stage 3: Housing Project 1137 Units/11	R 2 695 682	R 964 443	R 2 108 634	Contract in progress finalising evaluation
BCMM/DES/HM/1176/2011	Professional Team Required for Planning, Designing and Project Management of Fynbos 1&2 and Ndancama : Housing Project 1775 Units/11	R 3 536 371	R 555 489	R 3 475 974	Contract in progress
BCMM/DFP/TPO/1170/2011	Provision of Professional Civil Engineering Service for the Development and upgrading of Public Transport Facilities in King Williams Town	R 2 946 875	R 448 232	R 2 911 204	Contract in progress - Project on hold pending further approval.
BCC/COO/HM/1004/08/2	Duncan Village TRA-Construction of Roads, Stormwater, Water and Sewer, Reticulation and Communal Ablution Facilities	R 2 586 296	R 0	R 2 948 377	Contract in progress

BCB/DES/MIG/1011/2008	Upgrading of Noord Avenue Sewer Pump Station	Consultant is paid for design and supervision of the project	R 1 626 166	R 0	The Contract completed on the 30 October 2013.
BCB/DES/MIG/1011/2008	Upgrading of Noord Avenue Sewer Pump Station	R 7 029 671	R 2 571 907	R 5 441 918	Construction started on the 7 March 2013 and the contract would have been complete but country wide strikes in construction sector caused delays. The contract completed on the 30 October 2013.
BCC/COO/HM/1060/2009	Construction of High density Low Cost Housing units	Consultant is paid for design and supervision of the project	R 376 941	R 0	Professional team on site , project is progressing ,consultant busy with the monitoring and supervision on the project
BCC/COO/HM/1060/2009	Construction of High density Low Cost Housing units	R 34 200 643	R 16 644 444	R 22 344 288	The contractor is on site, progressing with the construction of both services and top structure. Contractor is delaying due to cash flow challenges and dispute between contractor and consultant which is being resolved
BCC/COO/HM/1140/2010	Professional Team Required For The Reconstruction of 988 Storm Damaged Houses	R 5 952 700	R 3 322 102	R 3 466 975	Contract in progress
BCC/DCS/MIG/1018/2008	Refurbishment and Upgrading of Airport Community Hall	R 465 789	R 0	R 0	Project Complete -11/12 (as per Completion Certificate)
BCC/DDP/B/1143/2011	Provision of professional Architectural Consultancy Services: Upgrading and Extending the King Williams Town Payment Hall	R 298 245	R 253 316	R 86 683	Project in progress however completion date was scheduled for August 2012. Slow progress on the contract as a result of contractor under performing.

BCC/DDP/B/1148/2011	Upgrading of East London Zoo: Additions and Alterations to Gate House, Construction of Disabled Ramp and Public Ablutions at East London Zoo	R 971 218	R 398 509	R 0	Contract Cancelled – Due to the contractor's poor performance, this contract was cancelled. The outstanding works were completed using informal tenders. Project completed 30 June 2013.
BCC/DDP/CP/1134/2010	Township Establishment for Duncan Village C-Section	R 434 060	R 470 086	R 24 741	Final Layout Plan and Township Establishment Motivation report submitted and has been circulated to all relevant departments for comments.
BCC/DDP/CP/1135/2010	Feasibility Study for Township Establishment for Mzamomhle Informal Settlement: Phase 3	R 404 800	R 461 472	R 0	Project Complete -12/13
BCC/DDP/HM/908/2005	Airport Phase 2A: Construction of 81 Low Costing House Units	R 7 810 485	R 8 902 583	R 1 370	Contract in progress
BCC/COO/HM/998/08	Potsdam Unit P Stage 2: Provision of 2003 Top Structure - completion of 37/ Units	R 10 618 641	R 10 778 075	R 1 327 175	Contract in progress
BCC/DDP/SR/1150/2011	Cadastral Survey of an Approved Layout to Facilitate the Transfer of Individual Erven to Beneficiary Living in the Mdange Settlement: Yellowwoods-Kie Road	R 568 072	R 0	R 647 603	Contract in progress
BCC/DDP/SR/1160/2011	Cadastral Survey To Obtain A General Plan From An Approved Layout To Facilitate The Transfer Of Individual Erven To Beneficiaries Living In Fynbos Phase 2,3&4 Informal Settlement	R 535 697	R 0	R 610 695	Contract in progress
BCC/DDP/TPO/1092/2009	BCM - Rural Non-Motorised Transport Plan	R 526 259	R 599 936	R 0	Project Complete -12/13

BCC/DDP/TPO/1099/2009	Construction of Yellowwoods River Bridge, Breidbach	R 18 228 477	R 18 178 781	R 0	Project Complete.
BCC/DDP/TPO/1117/2010	Pavement Investigation for the Proposed BRT Routes	R 1 044 047	R 835 881	R 354 333	Contract in progress- Project on hold till legal issues have been resolved.
BCMM/DPM/ARCH/1120/2012	Provision of Professional Consultancy Services - Upgrading and Extend the KWT Hall	R 724 040	R 202 429	R 622 975	Contract in Progress – The consultants have completed the specifications and a contractor is currently being procured to undertake the works.
BCC/DDP/TPO/1137/2010	Feasibility Study-Proposed Bridge Linking Needs Camp/Potsdam over Buffalo River	R 205 076	R 233 240	R 0	Project Complete -12/13
BCC/DDP/TPO/1145/2011	Feasibility Study, Concept Design, Detailed Design, Tender Document Preparation and Contract Administration for Ndevana Bridge	R 290 000	R 132 902	R 197 697	Contract in progress – Construction tender awarded end of 1st Quarter 13/14 – Construction to be complete 4th Quarter 13/14.
BCC/DDP/TPO/1146/2011	Update and Review of the 2008/2013 Integrated Transport Plan	R 290 324	R 96 130	R 234 839	Project Complete -12/13
BCC/DDP/TPO/1153/2011	The Comprehension Services for BCMM Bus Rapid Transit System	R 62 536 331	R 116 966	R 71 174 452	Contract in progress- Project on hold till legal issues have been resolved
BCC/DES/892/2005	Nxamkwana Sanitation project Phase 3	R 6 745 690	R 1 599 710	R 0.00	Project Complete -12/13
BCC/DES/892/2005	Nxamkwana Sanitation project Phase 3	R 3 787 566	R 4 317 825	R 0.00	Project Complete -12/13
BCC/DES/892/2005	Nxamkwana Sanitation project Phase 3	R 3 787 566	R 4 317 825	R 0.00	Project Complete -12/13
BCC/DES/892/2005	Nxamkwana Sanitation project Phase 3	R 3 787 566	R 4 317 825	R 0.00	Project Complete -12/13
BCC/DES/COO/HM/1068/2009	Provision of Civil Engineering Services in Second Creek	R 2 431 698	R 2 223 148	R 548 987	Consultant on site

BCC/DES/COO/HM/1068/2009	Provision of Civil Engineering Services in Second Creek	R 32 263 321	R 9 034 124	R 27 746 062	Contract in progress
BCC/DES/COO/HM/1068/2009	Provision of Civil Engineering Services in Second Creek	R 31 072 439	R 0.00	R 0.00	Contractor Withdrawn
BCC/DES/COO/HM/1109/2010	Construction of Civil Engineering Services For The Mdantsane Bufferstrip Housing Project In Manyano and Tembelihle	R 17 689 499	R 12 810 739	R 7 355 289	Contract in progress
BCC/DES/COO/HM/1109/2010	Construction of Civil Engineering Services For The Mdantsane Bufferstrip Housing Project In Manyano and Tembelihle	Consultant is paid for design and supervision of the project	R 2 509 406	R 0.00	Consultant is on site monitoring the project
BCC/DES/ESS/DSRAC/1030B/2008	2010 Legacy Projects: Needs Camp, Parkside & Tsholomnqa Football Fields Building Work & Renovations	R 911 615	R 1 039 241	R 0.00	Project Complete -12/13
BCC/DES/ESS/DSRAC/1030A/2008	2010 Legacy Projects: Upgrading of Football Fields; Needs Camp; Parkside and Tsholomnqa	R 2 911 158.	R 3 318 720	R 0.00	Project Complete -12/13
BCC/DES/MIG/1022/2008	Kwalini Sanitation Backlog Eradication Project	R 8 106 992	R 0.00	R 9 241 971	Project Complete
BCC/DES/MIG/1033/2008	Pirie Trust Sanitation Backlog Eradication Project	R 5 182 209	R 0.00	R 5 907 718	Project Complete
BCC/DES/MIG/1035/2008	West Bank Land Restitution Project - Provision of Bulk Infrastructure (Roads, Water and Wastewater).	R 0.00	R 64 977 137	R 0.00	The Roads Contract was completed on the 28 August 2012.
BCC/DES/MIG/1035/2008	West Bank Land Restitution Project - Bulk Road Infrastructure	R 46 364 439	R 43 648 200	R 0.00	The Roads Contract was completed on the 28 August 2012.
BCC/DES/MIG/1035/2008	West Bank Land Restitution Project - Bulk Wastewater Infrastructure	R 10 662 302	R 3 440 507	R 8 714 517	The Wastewater Contract was started on the 25 April 2012 and should have been completed on 1 June 2013 but as the contractor was denied access to certain areas of the construction site. Therefore the contract could not be completed on time as required.

BCC/DES/MIG/1078/2009	Upgrading of Quinera Wastewater Treatment Works: Contract for the Electrical and Electronic Works	R 4 122 807	R 3 669 017	R 1 030 982	Implementation, 85% complete.
BCMM/DES/MIG/1078/2009	Upgrading of Quinera Wastewater Treatment Works: Phase 2	R 39 789 498	R 27 483 157	R 17 876 870	Implementation, 85% complete.
BCC/DES/MIG/1079/2009	Mngqesha Sanitation Backlog Eradication Project	R 5 512 248	R 5 893 149	R 390 814	Project Complete
BCC/DES/MIG/1080/2009	Peelton Sanitation Backlog Eradication Project	R 3 720 608	R 0.00	R 4 241 493	Project Complete
BCC/DES/MIG/1082/2009	Masingatha Sanitation Backlog Eradication Project	R 7 133 575	R 7 184 891	R 947 384	Project Complete
BCC/DES/MIG/1083/2009	Hanover & Balasi Sanitation Backlog Eradication Project	R 7 382 599	R 7 792 020	R 624 143	Project Complete
BCC/DES/MIG/1086/2009	Cliff Sanitation Backlog Eradication Project	R 2 154 072	R 4 499 428	R 0.00	Project Complete
BCC/DES/MIG/1086/A/2009	Bongweni Sanitation Eradication Project	R 1 467 656	R 0.00	R 1 673 128	Project Complete
BCC/DES/MIG/1086/C/2009	Tshatshu Sanitation Backlog Eradication Project	R 3 531 067	R 3 946 876	R 78 540	Project Complete
BCC/DES/MIG/1093/2009	Appointment of Professional Consortium: Construction of KWT Fire Station	R 840 900	R 0.00	R 958 626	Contract in progress
BCC/DES/MIG/1100/1/2009	Bulk Water Supply to Coastal Areas :Phase 1A	Consultant is paid for design and supervision of the project	R 8 367 424	R 0.00	Consultant fees
BCC/DES/MIG/1100/4/2009	Bulk Water Supply to Coastal Areas :Phase 1D	R 20 621 026	R 3 357 239	R 20 150 730	Contract in progress
BCC/DES/MIG/1100/5/2009	Bulk Water Supply to Coastal Areas :Phase 1E	R 1 246 298	R 1 210 651	R 0.00	Contract completed
BCC/DES/MIG/1100/6/2009	Bulk Water Supply to Coastal Areas :Phase 1F	R 1 798 524	R 1 478 239	R 0.00	Contract completed

BCC/DES/MIG/1147/2011	Construction of New Fire Station: ERF 3010 King Williams Town	R 8 021 901	R 8 206 762	R 938 204	Project in progress however completion date was scheduled for August 2012. Slow progress on the contract as a result of contractor under performing. Additional funding required (R3 570 372.45) to complete phase 2 of the project.
BCC/DES/MIG/1156/2011	East London Sewer Diversion: Central WWTW to Reeston -Phase 1A	Consultant is paid for design and supervision of the project	R 15 845 772	R 0.00	Phase 1A of the contract was completed on the 23 August 2013.
BCC/DES/MIG/1156/2011	East London Sewer Diversion: Central WWTW to Reeston -Phase 1A	R 20 467 543	R 13 783 546	R 9 549 453	Phase 1A of the Contract was started on the 2 May 2012 and completed on the 23 August 2013.
BCC/DES/MIG/1162/2012	East London Sewer Diversion: Rotary Drilling Contract (290 m)	R 1 024 185	R 883 665	R 0.00	The Contract was completed on the 12 Sept 2012.
BCC/DES/MIG/1162/2012	East London Sewer Diversion: Rotary Drilling Contract (290 m)	Consultant is paid for design and supervision of the project	R 12 657 314	R 0.00	The Contract was started on the 26 June 2012 and completed on the 12 Sept 2012.
BCC/DES/PIU/1034/2008	KWT Bulk Regional Sewerage Scheme-Phase 1	The budget is subject to the actual value of construction costs and should include consultant's fees, construction monitoring disbursements and additional services. (Appointment letter attached).	R 12 433 208	R 0.00	Consultant fees

BCC/DES/PIU/1034/2008	KWT Bulk Regional Sewerage Scheme-Phase 2	The budget is subject to the actual value of construction costs and should include consultant's fees, construction monitoring disbursements and additional services. (Appointment letter attached).	R 4 979 882	R 0.00	Consultant fees
BCC/DES/PIU/1034/2008	KWT Bulk Regional Sewerage Scheme-Phase 4	The budget is subject to the actual value of construction costs and should include consultant's fees, construction monitoring disbursements and additional services. (Appointment letter attached).	R 673 799	R 0.00	Consultant fees
BCC/DES/PIU/1034/2009	Waste Water Treatment Capacity (Zwelitsha)	R 26 315 789	R 0.00	R 30 000 000.	Project is awaiting the award of the Civil Tender Award.
BCC/DES/PIU/1141/2011	Regional Waste Disposal Site	R 33 293	R 0.00	R 37 954	This Contract was terminated due to lack of progress. Money spent was for the work done before termination.
BCC/DES/838/2003	Gqozo Village: Mdantsane Upgrading of Sanitation & Water Supply	R 701 754	R 719 123	R 80 876	The Consultant is busy with the design of the second phase of this project .The first phase was completed on the 30 June 2012.
BCC/DES/PIU/970/2007	Mdantsane Bulk Water Supply To Bufferstrip/Needs Camp/NCERA: Phase4	Consultant is paid for design and supervision of the project	R 2 845 350	R 0.00	The original contract was terminated due to non-performance by the contractor. A new contractor was appointed and work started on the 15 May 2013 and will be completed 5 February 2014 .
BCC/DES/PIU/970/2007	Mdantsane Bulk Water Supply To Bufferstrip/Needs Camp/NCERA: Phase4	R 9 994 139.25	R 3 727 892	R 7 665 425	The original contract was terminated due to non-performance by the contractor. A new contractor was appointed and work started on the 15 May2013 and will be completed 5 February 2014 .

BCC/DES/PIU/CONT/1052/2009	Construction of Mdantsane Buffer Strip Collectors Sewer: Phase 2	Consultant is paid for design and supervision of the project	R 6 907 514	R 0.00	The Contract was completed on the 25 September 2012.
BCC/DES/PIU/CONT/1052/2009	Construction of Mdantsane Buffer Strip Collectors Sewer: Phase 2	R 9 691 228.07	R 9 942 731	R 0.00	The Contract started on the 7 March 2011 and the contract was completed on the 25 Sept 2012.
BCC/DES/PIU/HOUS/1122/2010	Reeston Phase 3B Internal Engineering Service for 2500 ERVEN	Consultant is paid for design and supervision of the project	R 4 191 425	R 0.00	Contractor is busy on site with the construction of internal services
BCC/DES/PIU/HOUS/1122/2010	Reeston Phase 3B Internal Engineering Service for 2500 ERVEN	Appointed to complete the project	R 11 497 623	R 0.00	Contractor is busy on site with the construction of internal services
BCC/DES/PIU/HOUS/1122/2010	Reeston Phase 3B Internal Engineering Service for 2500 ERVEN	Appointed to complete the project	R 3 734 478	R 0.00	Contractor is busy on site with the construction of internal services
BCC/DES/PIU/HOUS/1122/2010	Reeston Phase 3B Internal Engineering Service for 2500 ERVEN	R 56 016 470.05	R 7 031 454	R 56 827 321	Contractor is busy on site with the construction of internal services
BCC/DES/PMU/1045/2009	Extension to Reeston Wastewater Treatment Works: Civils	Consultant is paid for design and supervision of the project	R 9 629 207	R 0.00	Consultant fees
BCC/DES/PMU/1045/2009	Extension to Reeston Wastewater Treatment Works: Civils	R 88 814 988	R 12 805 381	R 88 443 705	Contract in progress
BCC/DES/RDS/1009/A/B/C/D/2008	Rehabilitation and Upgrade of Mdantsane Roads	R 1 763 201	R 3 882 824	R 0.00	Contract completed
BCC/DES/RDS/1009/A/B/C/D/2008	Rehabilitation and Upgrade of Mdantsane Roads	R 1 682 287	R 0.00	R 1 917 807	Contract in progress
BCC/DES/RDS/1009/A/B/C/D/2008	Rehabilitation and Upgrade of Mdantsane Roads	R 1 668 946	R 0.00	R 795 083	Contract in progress
BCC/DES/RDS/1102/2009	Provision of Engineering Service for the Updating of BCM Roads and Storm Water Branch Pavement and Bridge Management System	R 2 716 220	R 0.00	R 3 096 490	Contract in progress

BCC/DES/SCI/1104/2009	Removal of Damp & Repair and Preparation of Interior Surface at the Municipal	R 196 983	R 0.00	R 224 561	Contract in progress
BCC/DES/WW/1125/2010	Provision of Civil Engineering Services for the design of a Bulk Water Supply Pipeline to the Winterstrand.	R 470 996	R 427 702	R 0.00	Project Complete -12/13
BCMM/DDP/B/1182/2011	Construction of a Storage Shed at Newlands	R 266 469	R 303 774	R 0.00	Project Complete -12/13 – This contract was completed on schedule and no material matters unfolded during the performance of the works.
BCMM/DDP/CP/1173/2011	Buffalo City Metropolitan Municipality Spatial Development Framework (BCMM-SDF): Comprehensive Review and Update	R 787 521.26	R 729 772.15	R 168 002.09	The Project has been completed and the BCMM SDF has been submitted to Council for approval.
BCMM/DES/HM/1164/2011	Professional Team Required For Planning, Design And Project Management Of Mdantsane (Masibulele- 161 Units, Masibambane-156Units, Ilinge-561 Units, Velwano-420 Units, Dacawa-161 Units) Housing Projects-Total Of 1459 Units	R 3 080 449	R 1 454 742	R 2 056 969	Contract in progress
BCMM/DES/HM/1165/2011	Professional Team Required For Planning, Design And Project Management Of Mdantsane (Chris Hani 105 Units, Winnie Mandela 300 units, Gwentshe 25 Units, Matemba Vuso 25 units, Daluxolo Village 88 Units, Sisulu Village 154 Units, Francis Mei 34 units, Mahlangu Village 91 Units-Total Of 872 Units	R 2 378 754	R 760 312	R 1 951 467	Contract in progress
BCMM/DES/HM/1178/2011	Professional Team Required for Planning, Designing and Project Management of Ilitha Wooden Houses: Housing Project 950 Units/11	R 2 519 212	R 151 762	R 2 720 139	Contract in progress

BCMM/DES/WW/1168/2012	Feasibility Study for the Upgrading of Bulkwater and Distribution Water Mains in Newlands and Ndevana Villages	R 300 000	R 226 595	R 115 404	Contract in progress
BCMM/DFP/TPO/1187/2011	Drafting of transport policies and by laws relating to transport for Buffalo City Metropolitan Municipality	R 530 738	R 81 815	R 523 226	Contract in progress-
BCMM/DMS/PMU/1188/2011	(WARD 36) –a for Nomgwadla, Nakani, Mzittshana, Zabalaza, Nyanisweni, Madakeni, Newrest and Pirie Mission Sanitation Backlog Eradication Project	R 12 698 632	R 2 916 606	R 11 559 834	Contract in progress
BCMM/DMS/PMS/1189/2011	(WARD 43) –B FOR Majali, Nkqonkqweni, Mdange, Undertrain and TyutyuEzizeni Sanitation Backlog Eradication Project	R 6 514 238	R 2 067 776	R 7 426 231	Contract in progress
BCMM/DMS/PMU/1211/2011-E	Appointments of Professional Consortium of Services Providers (Civil Engineering Consultants (Principal) Civil/Building Engineering Contractors: Health and Safety Agents and Social Facilitators) to implement the Midland Rural Sanitation Backlog Eradication Projects (WARD 24, 26 and 49)	R 8 741 645	R 0.00	R 9 965 475	Contract in progress
BCMM/DDP/TPO/1163/2011	Buffalo City Metropolitan Municipality Freight Transport Plan	R 368 431	R 282 126	R 137 884	Project Complete -13/14
BCMM/DES/HM/1175/2011	Professional Team Required for Planning, Designing and Project Management of Reeston Phase 3 stage 3: Housing Project 1137 Units/11	R 2 695 682	R 0.00	R 3 073 077	Contract in progress

BCC/DDP/SR/1150/2011	Cadastral Survey of an Approved Layout to Facilitate the Transfer of Individual Erven to Beneficiary Living in the Mdange Settlement: Yellowwoods-Kie Road	R 568 072	R 0.00	R 647 603	Contract in progress
BCC/DDP/SR/1160/2011	Cadastral Survey To Obtain A General Plan From An Approved Layout To Facilitate The Transfer Of Individual Erven To Beneficiaries Living In Fynbos Phase 2,3&4 Informal Settlement	R 535 697	R 0.00	R 610 695	Contract in progress
BCC/DES/COO/HM/1068/2009	Provision of Civil Engineering Services in Second Creek	R 32 263 279	R 0.00	R 36 780 138	Contract in progress
BCC/DES/PIU/1090/2009	Mdantsane Bufferstrip Phase 3: Chlorination and Dam Rehabilitation	R 34 596 491	R 523 864	R 38 916 135	The Contract started on the 5 June 2013 and will be completed on the 30 June 2015.
BCC/DES/MIG/1162/2012	East London Sewer Diversion: Rotary Drilling Contract (290 m)	R 1 024 185	R 0.00	R 1 167 571	Contract in progress
BCC/DES/MIG/1218/2012	Architectural Services for the Upgrading and Extension of the Public Transport Facilities in KWT: BCMM	R 1 074 786	R 275 148	R 950 107	Contract in progress - Project on hold pending further approval.
BCCM/DES/HM/1216/2011	Construction of 988 Storm-Damaged Low Costing Housing Units in BCMM area	R 65 862 700	R 18 427 720	R 56 655 757	Contract in progress
BCMM/DES/HM/1164/2011	Professional Team Required For Planning, Design And Project Management Of Mdantsane (Masibulele- 161 Units, Masibambane-156Units, Ilinge-561 Units, Velwano-420 Units, Dacawa-161 Units) Housing Projects-Total Of 1459 Units	R 3 080 449	R 0.00	R 3 511 711	Contract in progress
BCMM/DES/WW/1166/2011	Feasibility Study for the Upgrading of Bulkwater and Distribution Water Mains in Bulembu Villages	R 1 024 185	R 0.00	R 1 167 571	Contract in progress

BCMM/DES/WW/1177/2011	Provision of Professional Engineering Services for Upgrading of Amahleke Bulk Water Supply Infrastructure	R 255 750	R 237 610	R 53 944	Contract in progress
BCMM/DMS/PMS/1199/2011 (WARD31)-C.1	(Ward 33) Altie and Hill Village Sanitation Backlog Eradication Project	R 1 510 830	R 1 139 827	R 582 519	In progress, 66% expenditure. Penalties are applicable as the contractor is behind programme
BCMM/DMS/PMS/1200/2011 (WARD31)-B	Gxethu, Cornfield and Gwiligwili Sanitation Backlog Eradication Project	R 3 075 998	R 515 209	R 2 991 428	In progress, 19% expenditure
BCMM/DMS/PMS/1201.1/2011 (WARD31)-C.1	Kuni 2 and Welcomehood Sanitation Backlog Eradication Project	R 3 575 981	R 533 520	R 3 543 098	In progress,21 % expenditure. Penalties are applicable as the contractor is behind programme
BCMM/DMS/PMS/1201/2011 (WARD31)-C.1	Ward 33) -C Kuni 1 and Thembisa Sanitation Backlog Eradication Projects	R 2 982 771	R 60 984	R 3 339 374	In progress,19% expenditure. Penalties will be applicable as the contractor is behind programme
BCC/DMS/PMS/1202/2011	Ncera 2 Ext 1, Lilivale and Kaysers Beach Sanitation Backlog Eradication Project	R 3 041 720	R 221 403	R 3 246 157	In progress, 18% expenditure. Penalties will be applicable as the contractor is behind programme
BCMM/DMS/PMS/1203/2011	Ncera 3, Ncera 2 and Ncera 1, Sanitation Backlog Eradication Projects.	R 4 755 602	R 1 118 954	R 4 302 432	In progress, 21% expenditure. Penalties are applicable as the contractor is behind programme
BCMM/DMS/PMS/1204/2011	(Ward 32)F - Ncera 7 Sanitation Backlog Eradication Project	R 989 414	R 528 547	R 599 385	In progress, 76% expenditure
BCMM/DMS/PMS/1205/2011	(Ward 32)F - Ncera 7 Sanitation Backlog Eradication Project	R 1 027 724	R 105 979	R 1 065 626	In progress, 76% expenditure

BCMM/DMS/PMU/1207/2011-A	Appointments of Professional Consortium of Services Providers (Civil Engineering Consultants (Principal) Civil/Building Engineering Contractors: Health and Safety Agents and Social Facilitators) to implement the Midland Rural Sanitation Backlog Eradication Projects (WARD 24, 26 and 49)	R 5 477 359	R 0.00	R 6 244 190	Contract in progress
BCMM/DMS/PMU/1208/2011-B	Appointments of Professional Consortium of Services Providers (Civil Engineering Consultants (Principal) Civil/Building Engineering Contractors: Health and Safety Agents and Social Facilitators) to implement the Midland Rural Sanitation Backlog Eradication Projects (WARD 24, 26 and 49)	R 6 037 102	R 1 196 890	R 5 685 406	Contract in progress
BCMM/DMS/PMU/1209/2011-C	Appointments of Professional Consortium of Services Providers (Civil Engineering Consultants (Principal) Civil/Building Engineering Contractors: Health and Safety Agents and Social Facilitators) to implement the Midland Rural Sanitation Backlog Eradication Projects (WARD 24, 26 and 49)	R 3 306 968	R 1 064 238	R 2 705 704	Contract in progress

BCMM/DMS/PMU/1210/2011-D	Appointments of Professional Consortium of Services Providers (Civil Engineering Consultants (Principal) Civil/Building Engineering Contractors: Health and Safety Agents and Social Facilitators) to implement the Midland Rural Sanitation Backlog Eradication Projects (WARD 24, 26 and 49)	R 8 506 157	R 0.00	R 9 697 019	Contract in progress
BCMM/DFP/TPO/1211/2011	Environmental Impact Assessment Services for the Buffalo City Metropolitan Municipality Bus Rapid Transport System	R 2 050 265	R 0.00	R 2 337 303	Contract in progress- Project on hold till legal issues have been resolved
BCMM/DMS/PIU/RDS/1212/2012	Provision of Civil Engineering Services for the Upgrading of Mdantsane Road - Cluster 1, 2 & 3	R 8 759 949	R 2 837 389	R 7 148 952	Contract in progress
BCMM/DMS/PIU/RDS/1212/2012	Provision of Civil Engineering Services for the Upgrading of Mdantsane Road - Cluster 1, 2 & 3	R 9 199 467	R 3 515 828	R 6 971 564	Contract in progress
BCMM/DMS/PIU/RDS/1212/2012	Provision of Civil Engineering Services for the Upgrading of Mdantsane Road - Cluster 1, 2 & 3	R 8 160 410	R 1 732 380	R 7 570 487	Contract in progress
BCMM/DMS/SEW/1226/2012	Supply of Low Voltage Switchgear for Zwelitsha Treatment	R 197 398	R 0.00	R 225 033	Contract in progress
BCMM/DMS/SEW/1227/2012	Supply, Testing, Delivery, Installation, Commissioning and Guarantee of one three Phase/250 KVA Standby Diesel Generating set at KWT, Zwelitsha Waste Water Treatment Works	R 1 859 500	R 0.00	R 2 119 831	Contract in progress
BCMM/DPM/ARCH/1215/2011	Extension of Market Sales Hall Phase 2: Provision of Vehicular Access and Cold Rooms	R 1 488 687	R 1 648 176	R 0.00	Project Complete -12/13 – This contract was completed on schedule and no material matters unfolded during the performance of the works.

BCMM/DPM/B/ARCH/1223/2011	Construction of New Learner Licence Centre: Phase 1 NU 6, Mdantsane	R 2 128 522	R 0.00	R 2 426 515	Contract Cancelled – Due to the unavailability of additional funds, this contract was cancelled.
BCMM/DPM/CP/1186/2011	Township Establishment Duncan Village Redevelopment Initiative : N2 Road Reserve in Haven Hills South, Ford Msimango I & II and Cambridge West I & II	R 430 496	R 331 825	R 158 939	Draft Layout and motivation report for N2 Road Reserve in Haven Hills South has been received.
BCMM/DPM/CP/1186/2011	Township Establishment Duncan Village Redevelopment Initiative : N2 Road Reserve in Haven Hills South, Ford Msimango I & II and Cambridge West I & II	R 539 122	R 331 825	R 282 774	Draft Layout and motivation report for Cambridge West I & II has been received.
BCMM/DPM/CP/1186/2011	Township Establishment Duncan Village Redevelopment Initiative : N2 Road Reserve in Haven Hills South, Ford Msimango I & II and Cambridge West I & II	R 415 822	R 399 490	R 74 547	Draft Layout and motivation report for Ford Msimango I & II has been received.
BCMM/DMS/RDS/1222/2012	Buffalo City Metropolitan Municipality Upgrade of Gonubie Main Road	R 132 089 321	R 58 735 892	R 91 845 934	Contract in progress –Land issues are resulting in delays and are being addressed.
BCMM/DMS/RDS/1222/2012	Appointment as Consulting Engineers Beacon Bay to Gonubie Link Road	Consultant is paid for design and supervision of the project	R 1 878 612	R 0.00	Consultant
BCMM/DMS/WW/1228/2012	Dimbaza Water Loss Investigations	R 606 210	R 64 887	R 626 191	Contract in progress
BCMM/DFP/TPO/1230/2012	Planning, Investigation and Assessment for the Upgrading of the Public Transport Facilities in BCMM	R 502 837	R 140 468	R 432 766	Contract in progress – Draft Report to be submitted by end October 2013 with Final Report to be completed by end November 2013

BCMM/DES/WW/1232/2012	Appointment of a Professional Service Provider for Provision of Civil Engineering Services for the Additional Storage Reservoir for Breidbach	R 529 980	R 13 593	R 590 583	Contract in progress
BCMM/DMS/WW/1233/2012	Appointment of a Professional Service Provider for the Upgrading of Umzonyana Treatment Works	R 2 128 522	R 226 729	R 2 199 786	Contract in progress
BCMM/DMS/WW/1234/2012	Design for KOMASHINI Bulk Water Supply Infrastructure	R 179 744	R 0.00	R 204 909	Contract in progress
BCMM/DMS/WSA /1236/2012	BCMM Kei Road Water Treatment Works and Conveyance Works	R 7 139 379	R 0.00	R 8 138 892	Contract in progress
BCMM/DHPS/LE/1243/2012	Consulting Engineering Services for Digital Macro Surveillance System for Eastern Beach East London	R 212 002	R 0.00	R 241 682	Contract in progress
BCC/DDP/SR/1246/2012	The Supply of Digital Aerial Oblique Imagery Orthophoto Mapping and Lidar Derived Contours for BCMM (Area A + B)	R 2 376 456	R 1 896 412	R 812 748	Contract in progress
BCC/DDP/SR/1247/2012	The Cadastral Survey of Various BCMM Owned Properties	R 216 912	R 273 592	R 0.00	Survey Complete
BCMM/DMS/RDS/1248/2012	Reconstruction and Rehabilitation of Fleet Street - Quigney	Consultant is paid for design and supervision of the project	R 2 971 041	R 0.00	Consultant
BCMM/DMS/RDS/1248/2012	Reconstruction and Rehabilitation of Fleet Street - Quigney	R 74 353 281	R 0.00	R 84 762 740	Contract in progress
BCMM/DMS/PIU/1249/2012	Construction of Bisho, King Williams Town and Zwelitsha Bulk Regional Sewerage Scheme-Phase 2	R 204 023 452	R 0.00	R 232 586 735	Contract still at recommendation stage after it was referred back to Municipality by high court
BCMM/DMS/PIU/1251/2012 (ELECTRICAL)	Construction of Bisho, King Williams Town and Zwelitsha Bulk Regional Sewerage Scheme-Phase 2	R 99 500 645	R 0.00	R 113 430 735	Contract in progress

BCMM/DES/PMU/1254/2012	Appointment of a Professional Services Providers: Rural Sanitation Backlog Eradication Projects (WARD40)	R 1 048 828	R 0.00	R 1 195 663	Contract in progress
BCMM/DDP/ARCH/1255/2013	Provision Professional Consultancy Services: Installation of a Cooling System the East London Fresh Produce Market	R 587 330	R 58 765	R 610 790	Contract in Progress – The consultants are preparing specifications in order to procure a contractor to undertake the works.
BCMM/COO/HM/1258/2012	Professional Team Required for Design and Project Management of Reeston Phase 3 - Stage 2: Housing Project	R 5 831 100	R 2 932 650	R 3 714 804	Contract in progress
BCMM/COO/HM/1262/2012	Construction of Roads, services and top structures in Sunny South-540 Units	R 62 226 338	R 0.00	R 0.00	Contract in progress
BCMM/COO/HM/1263/2012	Construction of 110 Top Structures in Dimbaza South, King Williams Town	R 8 657 142	R 0.00	R 9 869 142	Contract in progress
BCMM/COO/HM/1264/2012	Construction of 100 Top Structures in Tyutyu Village, Bisho	R 7 572 318	R 0.00	R 8 632 443	Contract in progress

ANNEXURE C: SERVICE PROVIDER PERFORMANCE. Part 3

Contract No.	Contract description	Contract Value (incl VAT)	2012/13 Payment Incl VAT	Total Payments Incl VAT	2012/2013 Commitment Incl VAT	Status Report / Performance against predicted timelines and / or other issues relating to performance.
CE 01	Provide and erect guidance signs for a period of 3 years	R2 219 741	R11 982	R11 982	R2 207 758	Active contract – This contract is an annual contract and work is progressing as per programme.
CE 03	Labour Intensive Trench Excavation, Laying and Backfill for Pipes of Various Diameters, Meter Installation, Leak Repairs and Construction of Manholes of Various Dimension	R28 931 251	R21 644 733	R24 120 040	R4 811 210	The period for this project is 2 years and two Services Providers were appointed on 29 June 2012. This Contract will come to end on 29 June 2014. The appointed Service providers are performing to the satisfaction of the department as the contract.
			R2 475 3078			
CE 26	Supply & Delivery bituminous Binders and Asphalt, overlays and Repairs to roads & sidewalks.	R60 000 000	R891 728	R891 728	R10 719 403	Active contract
			R13 896 900	R13 896 900		
			R4 844 684	R4 844 684		
			R12 101 178	R12 101 178		
			R190 526	R190 526		
			R6 105 192	R6 105 192		
			R3 236 013	R3 236 013		
			R4 813 925	R4 813 925		
			R3 200 446	R3 200 446		

CE 61	Installation and Commissioning of Electric Poles	R14 024 880	R10 329 785	R10 329 785	R3 695 094	Active contract
CE 71	Installation of Miniature Substations	R7 500 000	R0.00	R0.00	R7 500 000	
CE 71	Installation of Miniature Substations	R 2 447 800	R983 211	R2 447 800	R0.00	Contract Expired
CE 84	Supply and installation of steel Palisade Fencing- Installation of Steel Palisade Fencing around Electrical Substation, Switchyards, Building & Mini Subs in the Buffalo City area of supply.	R77 423	R34 569	R69 192	R8 231	Active contract
CE 96	Electrification of Infill House (RDP) and the Installation of Prepayment Electricity Dispensers	R 1 664 958	R1 568 497	R1 568 497	R96 460	Active contract
CE 101	Supply of Light Emitting Diode (Led) Traffic Signal heads and LED Kits for a 3-year period.	R1 079 219	R60 349	R68 798.24	R1 010 421	Active contract – This contract is an annual contract and work is progressing as per programme.

ANNEXURE C: SERVICE PROVIDER PERFORMANCE. Part 4

Contract No.	Contract description	Contract Value (Including VAT)	Status Report / Performance against predicted timelines and / or other issues relating to performance.
C2887	Procurement of A Service Provider to Perform an in Depth Analysis of the Billing Debt Book of the Buffalo City Municipality	R 3 416 848.00	Contract was completed on 30 June 2012. The contract was completed within the planned timelines and recommendation of findings is being implemented. The Debt Book was successfully analysed.
C2888	Appointment of Service Provider: Supply Printing and Mailing of Monthly Accounts	R 5 251 592.00	Contract is currently in progress. It is a 3 year contract and will terminate in October 2014.
C2889	Duncan Village Business Plan	R 708 806.00	Contract in progress Draft 2 of the Business Plan will be presented to Top Management Committee
C2892	Reviewal of Integrated Waste Management Plan	R 302 100.00	Still in progress
C2912	Construction of a Cattle Dip Tank	R 399 322.88	Project Completed
C2916	Supply, Delivery of Fencing Material and Erection of Arable Land Fencing - Ngxwelane Village	R 383 912.98	Project Cancelled (11/12 FYR)
C2917	Supply, Delivery of Fencing Material and Erection of Arable Land Fencing - Sibanye Vegetable	R 98 600.04	Project Completed(11/12 FYR)
C2921	Capacity Building/Basic Knowledge Management Training	R 596 971.00	Project Completed
C2923	Supply and Delivery of Movable Ablution Blocks Project	R 1 897 415.00	Contract in progress

C2930	Supply and Delivery of Ten (10) refuse compactor Trucks (10 MAN CLA for 26.280 units) Supply and Delivery of Ten (10) refuse compactor Trucks (10 MAN CLA for 26.280 units)	R 16 471 490.00	Project Completed
	Supply and delivery of 9 LDV 1 Ton Utility/Supply and Delivery of 2x Load Lugger Trucks, two (2) UD Trucks UD 330 WF - item 5	R 4 067 300.80	Project Completed
C2933	Tender for the Valuation of Properties Part of the Fifth (SV05) & Sixth Supplementary Valuation, of the BCMM	R 1 750 920.00	Contract has been completed and the results have been implemented into the Financial System in March 2012 and June 2012 respectively.
C2936	Municipal Health Services Delivery Plan	R 1 635 457.00	Project completed. *This contract was completed on schedule and no material matters unfolded during the performance of the works.*
C2937	Air Quality Management Plan	R 362 450.00	Project Completed *This contract was completed on schedule and no material matters unfolded during the performance of the works.*
C2943	Crime Prevention Strategy	R 496 789.20	Project completed. *This contract was completed on schedule and no material matters unfolded during the performance of the works.*
C2944	Dimbaza Waste Water Treatment Works Inlet Screen	R 480 260.00	Contract in progress
C2946	Review of Traffic Safety Plan For BCMM	R 496 869.00	Project completed. *This contract was completed on schedule and no material matters unfolded during the performance of the works.*
C2950	Commercial Organic Farming Training	R 89 453.52	Project Completed(11/12 FYR)
C2951	Training & Mentoring 5 Hydroponics Cooperatives for BCMM	R 198 360.00	Project Completed(11/12 FYR)

C 2953	Bids are invited from experienced and suitably qualified registered Property Valuers for the compilation and maintenance of the General Roll, Asset Register etc.	R 26 236 647.08	The tender was awarded. However the award was interdicted by one of the unsuccessful bidders. The matter has yet to be finalized in court.
C2954	Additional Vehicles Purchase	R 3 468 062.92	Project Completed
C2957	Design, Layout and Printing of Annual Report, IDP Report, Budget, Tariff, MTREF and Staff Key Book	R 465 200.00	Project Completed
C2958	Supply and Delivery of Ward Councillors Office Furniture	R 564 900.00	Contract in progress
C2958	Supply and Delivery of Ward Councillor's Park Home Office Furniture		To be advertised
C2959	Additional Vehicles- Half ton LDV's, Sedans,1Ton LDV's, Double cabs, 1Ton4x4,2,5, Sedan for Traffic and 7 Ton Truck	R 846 187.44	Project Completed
		R 338 960.00	Project Completed
C2959	Additional Vehicles- Half ton LDV's, Sedans,1Ton LDV's, Double cabs, 1Ton4x4,2,5, Sedan for Traffic and 7 Ton Truck	R 978 114.00	Project Completed
		R 538 813.62	Project Completed
		R 280 508.95	Project Completed
		R 468 080.16	Project Completed

		R 512 222.00	Project Completed
C2960	Supply and delivery of Fuel for a period of six months-Fuel for Infrastructure	R 15 408 492.00	Contract Extended - July 2013
C2961	Supply, Installation, Testing & Commissioning of Enterprise data storage- Primary and disaster recovery centre	R 3 554 855.54	Contract in progress
C2963	Supply and Delivery of Debt Management Department Office Furniture	R 1 482 919.98	Project Completed. Furniture supplied and delivered.
C2965	Vehicle purchase	R 360 504.07	Project Completed
		R 614 166.60	Project Completed
		R 2 936 960.00	Project Completed
		R 1 015 579.00	Project Completed
C2966	Development of a BCMM Climate Change Strategy	R 330 713.00	Contract in progress, still within the timeframe, expected to be complete end Nov 2013
C2967	Supply, delivery of material and Construction of a cattle dip tank at Majali Village (KWT Area)	R 394 280.01	Project Completed
C2968	Supply, delivery of material and Construction of a cattle dip tank for East London Area	R 2 897 604.12	Contract in progress (at 80% in completion)
C2969	Documentation of a Case Study on better practice at BCMM: Blue Drop achievement on water quality	R 295 825.90	Contract in progress

C2970	Buffalo City Metropolitan Municipality Integrated Co-operative Development Strategy	R 388 628.28	Project Completed
C2971	BCMM Emerging Contractor Development Programme	R 318 452.73	Contract in progress
C 2972	Supply, Delivery of Material and Construction of Fencing at Mthimkhulu Farm-East London Region	R 778 734.00	Contract in progress
C2973	The Procurement and Installation of Two 350 KV Three Phase Backup Power Diesel Generators		Project Cancelled
C2974	Supply, Delivery of Material and Construction of Shed at Celizapholo Farm-King Williams Town Region	R 457 282.23	Contract in progress
C2975	Supply and Delivery of Material Erection of Internal Fence of Mthimkhulu Farm EL Region	R 473 616.99	Contract in progress
C2976	Supply, delivery of material and Construction of a cattle dip tank at Ncera Village (KWT Area)	R 369 303.38	Contract in progress (at 80% in completion)
C2977	Rehabilitation of Landfill Sites-Clubview, King Williams town (Old Tannery Site)	R 4 104 232.28	Contract awarded but Department of Environmental Affairs requires that a Rehabilitation Permit is required before undertaking rehabilitation of the site.
C2978	Supply of Sound, lightning and stage for the Performance of Live Band at the BCMM Carnival	R 343 519.00	Project Completed
C2980	Supply, Delivery of Material and Construction Boiler Abattoir Processing Equipment		Project Cancelled
C2981	Supply, Delivery of Material and Installation Construction Grazing Camp Fencing Ngxwalane Village 9 KWT Area	R 278 051.30	Project Completed
C 2982	Development of Community Parks (Inland, Midland and Coastal)		Not yet awarded..

C 2983	Supply, Delivery, Installation, Commissioning and Training of an Automated Oil and Grease Analyser	R 675 193.84	Awarded
C 2984	Officials to be Trained on Firearm Practical Training Contract Refresher		Not yet awarded
C 2985	Development of a BCMM Trade and Investment Strategy and Policy		Not yet awarded.
C2986	Supervisory Skills Development Programme		Not yet awarded
C 2987	Supply, Delivery of Material and Construction of a 1A Shade Net	R 1 501 671.42	Project Cancelled
C 2989	Procurement of on the Job Training EDMS Document	R 3 200 000.00	Deviation
C 2991	BCMM Integrated SMME Development Strategy	R 319 154.40	Service provider appointed. Project has five Milestones (Situational Analysis, Development of Draft Strategy, Stakeholders consultation and development of final draft strategy and submission to council for approval). The project is milestone number (Draft Strategy). Project to completed in End November 2013
C2992	Labour relations Project		Not yet awarded
C 2993	Supply and Delivery of Urban Rescue Vehicle		Not yet awarded
C 2994	Construction of Electrical Switch Room at River Pump Station (BRPS)		Not yet awarded
C 2995	BCMM Street Traders Policy		No submissions were received in the Bid process.
C 2996	Purchase Of 30 Second Hand Containers for Recycling Drop Points		Not yet awarded.
C 2998	Vehicle purchase		Not yet awarded
C 2999	Construction of Ndevane Stream Crossing		Not yet awarded
C 3000	Installation of Weigh Bridge System in King Williams Town Landfills Site		Not yet awarded.
C 3001	Installation of CCTV Cameras on Esplanade Area of BCMM		Not yet awarded

C 3002	Provisioning and Installation of Hardware for Wireless Access Network and IPT Network for BCMM		Not yet awarded
C 3003	Acquisition and Installation of an Environmental Health Information System Software		Contract Awarded
C 3004	Automation of Air Quality Monitoring Stations - Quality Assurance System		Contract Awarded
C 3005	Supply and Delivery of Office Furniture		Not yet awarded
C 3007	The Project Entails the Training of 20 Emerging Contractors from Duncan Village and Surrounding Areas		Not yet awarded
C 3008	The Provision of Sound, Stage and Lighting for the Summer Season Events		Not yet awarded
C 3009	The Supply, Delivery and Set-up of Tents, Tables, Chairs and Toilets for the Summer Season		Not yet awarded

Buffalo City Metropolitan Municipality

2012/2013

ANNUAL REPORT

Volume II



BUFFALO CITY METROPOLITAN ECONOMIC ENTITY
Annual Financial Statements
FOR THE YEAR ENDED 30 JUNE 2013

I am responsible for the preparation of these Annual Financial Statements which are set out herewith, in terms of Section126(1) of the Municipal Finance Management Act (56 of 2003) and which I have signed on behalf of the Metropolitan Municipality.

I certify that the salaries, allowances and benefits of Councillors are disclosed within these Annual Financial Statements and are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act (20 of 1998) and the Minister for Corporate Governance and Traditional Affairs determination in accordance with this act except where identified as irregular expenditure in the Annual Financial Statements.

Mr. A. Fani
City Manager

6/12/2013
Date

BUFFALO CITY METROPOLITAN ECONOMIC ENTITY

Annual Financial Statements for the year ended 30 June 2013

General Information

Legal Form of Entity	Municipality
Nature of Business and Principal Activities	Local Government
Grading of Local Authority	Grade 6 Municipality
Accounting Officer	Mr. A Fani
Chief Financial Officer	Mr. V Pillay
Jurisdiction	The demarcation board has determined that Buffalo City Metropolitan Metropolitan economic entity (BUF) includes the towns of East London, Bisho, King Williams Town, Berlin as well as the townships of Mdantsane, Gompo, Zwelitsha, Dimbaza, Phakamisa, Ndevana, Ilitha, Ginsberg and the corridor of rural areas.
Business address	Trust Centre Oxford Street East London 5201
Postal address	PO Box 134 East London 5200
Bankers	Absa Bank / Standard Bank
Auditors	Auditor General of South Africa
Members of Audit Committee	Mr. V Pangwa (Chairperson) Mr. S Mkebe (Member) Ms. E Kula-Ameyaw (Member)
Legislation Governing the Municipality	The Constitution of the Republic of South Africa,1996 The Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) The Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) The Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004) Municipal Fiscal Powers and Functions Act, 2007 (Act 12 of 2007) Local Government: Municipal Demarcation Act, 1998 (Act 27 of 1998) Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005)

BUFFALO CITY METROPOLITAN ECONOMIC ENTITY

Annual Financial Statements for the year ended 30 June 2013

Index

The statements and notes set out below comprise the annual financial statements:

Index	Page
Statement of Financial Position	3
Statement of Financial Performance	4
Statement of Changes in Net Assets	5
Cash Flow Statement	6
Statement of Comparison of Budget and Actual Amounts	7 - 9
Accounting Policies	10 - 39
Notes to the Annual Financial Statements	40 - 104

Statement of Financial Position as at 30 June 2013

Figures in Rand	Note(s)	2013	2012 Restated
Assets			
Current Assets			
Cash and cash equivalents	5	1,843,315,512	1,521,968,733
Inventories	6	71,653,231	117,116,161
Receivables from exchange transactions	7	383,984,497	312,473,204
Receivables from non-exchange transactions	8	212,235,175	146,314,713
VAT receivable	9	64,736,157	33,958,513
Current portion of operating leases	10	2,363,400	2,546,106
Current portion of long-term receivables	11	14,440	13,098
		2,578,302,412	**2,134,390,528**
Non-Current Assets			
Non-current portion of operating leases	10	61,815,348	59,027,596
Long-term receivables	11	42,913	57,353
Intangible assets	12	19,174,829	12,111,593
Investment property	13	308,191,202	320,297,778
Heritage assets	14	40,181,119	40,181,119
Property, plant and equipment	15	10,052,719,773	10,189,381,285
Non-current investment	16	892,235	856,601
Investment in associate	17	260	260
Deferred tax	65	275	275
		10,483,017,954	**10,621,913,860**
Total Assets		**13,061,320,366**	**12,756,304,388**
Liabilities			
Current Liabilities			
Borrowings	18	49,970,261	41,533,557
Consumer deposits	19	45,519,265	36,919,893
Finance lease obligation	20	1,686,593	463,541
Provisions	21	117,411,611	113,922,161
Payables from exchange transactions	22	571,467,624	451,808,291
Unspent conditional and unconditional grants and receipts	23	450,148,613	739,538,361
VAT payable	57	9,762	-
Current tax payable	67	518,489	493,569
		1,236,732,218	**1,384,679,373**
Non-Current Liabilities			
Borrowings	18	597,206,903	604,256,175
Finance lease obligation	20	3,941,058	990,241
Provisions	21	49,968,510	64,922,445
Post-retirement medical obligation	24	341,562,823	341,426,029
Other financial liabilities	66	102,500	102,500
		992,781,794	**1,011,697,390**
Total Liabilities		**2,229,514,012**	**2,396,376,763**
Net Assets		**10,831,806,354**	**10,359,927,625**
Net Assets			
Reserves:			
Revaluation reserve	25	2,428,060,218	2,446,637,596
Accumulated surpluses		8,403,746,134	7,913,290,030
Total Net Assets		**10,831,806,352**	**10,359,927,625**

Statement of Financial Performance

Figures in Rand	Note(s)	2013	2012 Restated
Revenue			
Public contributions and donations - operating projects	28	-	599,152
Public contributions and donations - PPE	28	-	730,105
Licences and permits	28	15,299,244	15,707,756
Rental of facilities and equipment	28	15,485,474	14,619,601
Fines	28	5,979,206	5,455,740
Fuel levy	28	317,781,000	170,477,000
Property rates	29	580,100,409	522,514,480
Service charges	30	1,964,268,076	1,754,709,786
Government grants & subsidies	31	1,235,137,628	907,186,380
Other revenue	32	203,319,984	138,399,340
Interest received	37	106,184,278	82,656,471
Total revenue	28	**4,443,555,299**	**3,613,055,811**
Expenditure			
Impairments	15	(71,393)	(1,798,575)
Loss on disposal of assets	15	(8,166,366)	(7,546,528)
General Expenses	33	(615,305,140)	(569,620,921)
Employee related costs	34	(980,891,329)	(956,365,528)
Remuneration of councillors	35	(43,331,310)	(42,965,666)
Debt impairment	36	(106,769,757)	(58,206,738)
Depreciation and amortisation	39	(699,351,097)	(675,702,073)
Finance costs	40	(67,258,679)	(70,498,923)
Contracted services	42	(7,763,365)	(6,839,654)
Grants and subsidies paid	43	(115,921,661)	(112,387,850)
Bulk purchases	44	(1,040,113,343)	(915,387,163)
Repairs and maintenance	64	(263,701,689)	(219,292,384)
Total expenditure		**(3,948,645,126)**	**(3,636,612,003)**
Fair value adjustments	13	(12,106,576)	(12,514,554)
Share of deficit of associate accounted for under the equity method	17	-	(12,087,832)
		(12,106,576)	**(24,602,386)**
Surplus (deficit) before taxation		**482,803,597**	**(48,158,578)**
Taxation	68	24,920	249,376
Surplus (deficit) for the year	63	**482,778,677**	**(48,407,954)**

BUFFALO CITY METROPOLITAN ECONOMIC ENTITY

Annual Financial Statements for the year ended 30 June 2013

Statement of Changes in Net Assets

Figures in Rand

	Notes	Revaluation Reserve	Accumulated Surpluses	Total Net Assets
Opening balance as previously reported		16,047,826	11,180,335,322	11,196,383,148
Adjustments:				
Prior year adjustments	25&49	2,432,884,091	(3,205,897,095)	(773,013,004)
Balance at 01 July 2011 as restated		**2,448,931,917**	**7,974,438,227**	**10,423,370,144**
Changes in net assets:				
Take on of PPE at deemed cost		-	67,930	67,930
Depreciation transfer to income	25	(573,137)	573,137	-
Adjustments to the Municipal Property Asset Register - Investment properties		-	(1,313,188)	(1,313,188)
Adjustments to the Municipal Property Asset Register - Other properties		-	(12,068,119)	(12,068,119)
Realisation	25	(1,721,185)	-	(1,721,185)
			-	-
Surplus for the year	49	-	(48,407,957)	(48,407,957)
Balance at 01 July 2012 as restated	49	**2,446,637,596**	**7,913,290,030**	**10,359,927,626**
Changes in net assets:				
Depreciation transfer to income		(573,137)	573,137	-
Adjustments to Plant & Equipment	15	-	181,896	181,896
Adjustments to Furniture & Fittings	15	-	4,155,192	4,155,192
Adjustments to Office Equipment	15	-	2,513,590	2,513,590
Adjustments to Recreational Facilities	15	-	253,615	253,615
Surplus for the year	63	-	482,778,674	482,778,674
Revaluation reserve realised	25	(18,004,240)	-	(18,004,240)
Balance at 30 June 2013		**2,428,060,218**	**8,403,746,134**	**10,831,806,352**
Note(s)		25		

Cash Flow Statement

Figures in Rand	Note(s)	2013	2012 Restated
Cash flows from operating activities			
Receipts			
Sale of goods and services	62	2,832,825,320	2,408,347,445
Government grants, subsidies and public contributions and donations	62	1,235,137,628	908,515,638
Interest received	37	106,184,278	82,656,471
		4,174,147,226	3,399,519,554
Payments			
Employee costs	34&35	(1,024,222,637)	(999,331,197)
Suppliers	62	(1,911,240,575)	(1,732,592,289)
Finance costs	40	(67,258,679)	(70,498,923)
		(3,002,721,891)	(2,802,422,409)
Net cash flows from operating activities	45	**1,171,425,337**	**597,097,145**
Cash flows from investing activities			
Purchase of property, plant and equipment	15	(583,237,151)	(214,236,267)
Proceeds from sale of property, plant and equipment	15	18,658,385	2,610,317
Purchase of other intangible assets	12	(10,248,181)	(3,227,171)
Purchase of heritage assets	14	-	(432,579)
Net movement on financial assets	11	13,098	11,880
Net movement on non-current investments	16	(35,634)	(36,641)
Net cash flows from investing activities		**(574,849,483)**	**(215,310,461)**
Cash flows from financing activities			
Net movement on borrowings	18	1,387,432	(44,996,996)
Net movement on finance leases	20	4,173,869	(23,235)
Net movement on unspent conditional grants	23	(289,389,748)	441,524,387
Net movement on consumer deposits	19	8,599,372	3,465,560
Net cash flows from financing activities		**(275,229,075)**	**399,969,716**
Net increase in cash and cash equivalents		**321,346,779**	**781,756,400**
Cash and cash equivalents at the beginning of the year		1,521,968,733	740,212,334
Cash and cash equivalents at the end of the year	5	**1,843,315,512**	**1,521,968,734**

BUFFALO CITY METROPOLITAN ECONOMIC ENTITY

Annual Financial Statements for the year ended 30 June 2013

Statement of Comparison of Budget and Actual Amounts

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance - refer to note 4	Actual outcome as % of final budget	Actual outcome as % of original budget
2013											
Financial Performance											
Property rates	585,374,446	-	585,374,446	-		585,374,446	580,100,409		(5,274,037)	99 %	99 %
Service charges	1,967,956,117	-	1,967,956,117	-		1,967,956,117	1,964,268,076		(3,688,041)	100 %	100 %
Investment revenue	78,314,288	-	78,314,288	-		78,314,288	106,184,278		27,869,990	136 %	136 %
Transfers recognised - operational	804,866,030	(8,096,541)	796,769,489	-		796,769,489	719,567,238		(77,202,251)	90 %	89 %
Other own revenue	530,126,413	-	530,126,413	-		530,126,413	557,864,908		27,738,495	105 %	105 %
Total revenue (excluding capital transfers and contributions)	**3,966,637,294**	**(8,096,541)**	**3,958,540,753**	**-**		**3,958,540,753**	**3,927,984,909**		**(30,555,844)**	**99 %**	**99 %**
Employee costs	(1,053,329,100)	(26,349,160)	(1,079,678,260)	-	-	(1,079,678,260)	(980,891,329)	-	98,786,931	91 %	93 %
Remuneration of councillors	(45,218,700)	(535,003)	(45,753,703)	-	-	(45,753,703)	(43,331,310)	-	2,422,393	95 %	96 %
Debt impairment	(215,000,000)	-	(215,000,000)			(215,000,000)	(106,769,757)	-	108,230,243	50 %	50 %
Depreciation and asset impairment	(376,527,919)	-	(376,527,919)			(376,527,919)	(699,422,490)	-	(322,894,571)	186 %	186 %
Finance charges	(89,112,465)	22,463,270	(66,649,195)	-	-	(66,649,195)	(67,258,679)	-	(609,484)	101 %	75 %
Materials and bulk purchases	(1,049,156,775)	-	(1,049,156,775)	-	-	(1,049,156,775)	(1,040,113,343)	-	9,043,432	99 %	99 %
Transfers and grants	(30,464,322)	(1,682,802)	(32,147,124)	-	-	(32,147,124)	(115,921,661)	-	(83,774,537)	361 %	381 %
Other expenditure	(1,133,412,451)	(33,340,664)	(1,166,753,115)	-	-	(1,166,753,115)	(907,043,136)	-	259,709,979	78 %	80 %
Total expenditure	**(3,992,221,732)**	**(39,444,359)**	**(4,031,666,091)**	**-**	**-**	**(4,031,666,091)**	**(3,960,751,705)**	**-**	**70,914,386**	**98 %**	**99 %**
Surplus/(Deficit)	**(25,584,438)**	**(47,540,900)**	**(73,125,338)**	**-**		**(73,125,338)**	**(32,766,796)**		**40,358,542**	**45 %**	**128 %**

Statement of Comparison of Budget and Actual Amounts

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting funds s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Transfers recognised - capital	629,018,248	205,049,909	834,068,157	-		834,068,157	515,570,390		(318,497,767)	62 %	82 %
Contributions recognised - capital and contributed assets	-	2,450,976	2,450,976	-		2,450,976	-		(2,450,976)	-	-
Surplus (Deficit) after capital transfers and contributions	**603,433,810**	**159,959,985**	**763,393,795**	**-**		**763,393,795**	**482,803,594**		**(280,590,201)**	**63 %**	**80 %**
Taxation	-	-	-	-		-	24,920		24,920	DIV/0 %	DIV/0 %
Surplus/(Deficit) for the year	**603,433,810**	**159,959,985**	**763,393,795**	**-**		**763,393,795**	**482,778,674**		**(280,615,121)**	**63 %**	**80 %**
Capital expenditure and funds sources											
Total capital expenditure	749,097,271	229,006,218	978,103,489	-		978,103,489	593,485,330		(384,618,159)	61 %	79 %
Sources of capital funds											
Transfers recognised - capital	609,847,828	224,220,329	834,068,157	-		834,068,157	515,570,387		(318,497,770)	62 %	85 %
Public contributions and donations	19,170,420	(16,719,444)	2,450,976	-		2,450,976	-		(2,450,976)	-	-
Borrowing	-	-	-	-		-	18,146,281		18,146,281	-	-
Internally generated funds	120,079,023	21,505,333	141,584,356	-		141,584,356	59,768,662		(81,815,694)	42 %	50 %
Total sources of capital funds	**749,097,271**	**229,006,218**	**978,103,489**	**-**		**978,103,489**	**593,485,330**		**(384,618,159)**	**61 %**	**79 %**

Statement of Comparison of Budget and Actual Amounts

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Cash flows											
Net cash from (used) operating	942,998,729	161,315,088	1,104,313,817	-		1,104,313,817	1,171,425,337		67,111,520	106 %	124 %
Net cash from (used) investing	(749,097,271)	(229,006,218)	(978,103,489)	-		(978,103,489)	(574,849,483)		403,254,006	59 %	77 %
Net cash from (used) financing	(41,532,778)	(2,448,186)	(43,980,964)	-		(43,980,964)	(275,229,075)		(231,248,111)	626 %	663 %
Net increase/(decrease) in cash and cash equivalents	**152,368,680**	**(70,139,316)**	**82,229,364**	**-**		**82,229,364**	**321,346,779**		**239,117,415**	**391 %**	**211 %**
Cash and cash equivalents at the beginning of the year	696,148,584	-	696,148,584	-		696,148,584	1,521,968,733		825,820,149	219 %	219 %
Cash and cash equivalents at year end	**848,517,264**	**(70,139,316)**	**778,377,948**	**-**		**778,377,948**	**1,843,315,512**		**(1,064,937,564)**	**237 %**	**217 %**

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied, are disclosed below.

These accounting policies are consistent with the previous period, except for the changes set out in note 2 Changes in accounting policy

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgments is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade receivables, investments and/or loans and receivables

The metropolitan economic entity assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, management makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Allowance for slow moving, damaged and obsolete stock

An allowance has been made to write down stock to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the notes to the financial statements per inventory note 6.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the metropolitan economic entity is the current bid price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the metropolitan economic entity for similar financial instruments.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The metropolitan economic entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors i.e. production estimates, supply demand, together with economic factors such as exchange rates, inflation, interest.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 21 - Provisions.

Accounting Policies

1.1 Significant judgements and sources of estimation uncertainty (continued)

Useful lives of waste and water network and other assets

The metropolitan economic entity's management determines the estimated useful lives and related depreciation charges for the waste water and water networks. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

Post retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

The metropolitan economic entity determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the medical aid obligation in determining the appropriate discount rate, the metropolitan economic entity considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related medical aid obligation liability.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 24.

Effective interest rate

The metropolitan economic entity used the prime interest rate to discount future cash flows.

Allowance for doubtful debts

Impairment loss is recognised in surplus and deficit when there is objective evidence that debtors are impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.2 Investment property

Investment property is property (land or a building - or part of a building - or both - or under construction) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Investment property excludes owner-occupied property.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the metropolitan economic entity, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Accounting Policies

1.2 Investment property (continued)

Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

If the entity determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If the entity determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the entity measures that investment property using the cost model (as per the accounting policy on Property, plant and equipment). The residual value of the investment property is then assumed to be zero. The entity applies the cost model (as per the accounting policy on Property, plant and equipment) until disposal of the investment property.

Once the entity becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on Property, plant and equipment.

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Transfers to, or from, investment property shall be made when, and only when, there is a change in use, evidenced by:

(a) commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
(b) commencement of development with a view to sale, for a transfer from investment property to inventories;
(c) end of owner-occupation, for a transfer from owner-occupied property to investment property; or
(d) commencement of an operating lease (on a commercial basis) to another party, for a transfer from inventories to investment property.

1.3 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the metropolitan economic entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Accounting Policies

1.3 Property, plant and equipment (continued)

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for land, buildings, other properties, community properties and roads which is carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings when the asset is derecognised.

The revaluation surplus in equity related to a specific item of property, plant and equipment is transferred directly to retained earnings as the asset is used. The amount transferred is equal to the difference between depreciation based on the revalued carrying amount and depreciation based on the original cost of the asset.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value except for furniture and fittings, which are depreciated using the diminishing balance method at 10% per annum.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life (years)
Land - landfill sites	50
Buildings	30
Plant and machinery	3 to 30
Motor vehicles	4 to 15
Office equipment	3 to 5
Electricity	10 to 60
Community	
▸ Buildings	30
▸ Recreation	20 to 30
Other properties	5 to 50
Finance Leased Assets	5
Roads	5 to 100
Wastewater network	5 to 80
Water network	5 to 150

Accounting Policies

1.3 Property, plant and equipment (continued)

Heritage Assets	Indefinite

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of metropolitan economic entity are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised and will be classified as revenue. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the metropolitan economic entity holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. These assets are not accounted for as non-current assets held for sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the metropolitan economic entity.

1.4 Site restoration and dismantling cost

The metropolitan economic entity has an obligation to dismantle, remove and restore items of property, plant and equipment. Such obligations are referred to as 'decommissioning, restoration and similar liabilities'. The cost of an item of property, plant and equipment includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation which a metropolitan economic entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

If the related asset is measured using the cost model:

- subject to, changes in the liability are added to, or deducted from, the cost of the related asset in the current period;
- if a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit; and
- if the adjustment results in an addition to the cost of an asset, the metropolitan economic entity considers whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If it is such an indication, the asset is tested for impairment by estimating its recoverable amount and any impairment loss is recognised in accordance with the accounting policy on impairment of cash-generating assets and/or impairment of non-cash-generating assets.

Accounting Policies

1.4 Site restoration and dismantling cost (continued)

If the related asset is measured using the revaluation model:

- changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:
  - a decrease in the liability is credited to revaluation surplus in net assets, except that it is recognised in surplus or deficit to the extent that it reverses a revaluation deficit on the asset that was previously recognised in surplus or deficit;
  - an increase in the liability is recognised in surplus or deficit, except that it is debited to the revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.
- in the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess is recognised immediately in surplus or deficit; and
- a change in the liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Any such revaluation is taken into account in determining the amounts to be taken to surplus or deficit or net assets. If a revaluation is necessary, all assets of that class are revalued.

1.5 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

An asset is identified as an intangible asset when it:

- is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or
- arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the metropolitan economic entity or from other rights and obligations.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the metropolitan economic entity; and
- the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

An intangible asset acquired through a non-exchange transaction, the cost shall be its fair value as at the date of acquisition.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Accounting Policies

1.5 Intangible assets (continued)

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	3 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

1.6 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Assets are resources controlled by an metropolitan economic entity as a result of past events and from which future economic benefits or service potential are expected to flow to the metropolitan economic entity.

A class of heritage assets means a grouping of heritage assets of a similar nature or function in a metropolitan economic entity's operations that is shown as a single item for the purpose of disclosure in the annual financial statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Recognition

The metropolitan economic entity recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the metropolitan economic entity, and the cost or fair value of the asset can be measured reliably.

If an metropolitan economic entity holds an asset that might be regarded as a heritage asset but which, on initial recognition, does not meet the recognition criteria of a heritage asset because it cannot be reliably measured, relevant and useful information about it shall be disclosed in the notes to the financial statements.

Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

After recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation surplus. However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit.

If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in surplus or deficit. However, the decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

Accounting Policies

1.6 Heritage assets (continued)

Impairment

The metropolitan economic entity assess at each reporting date whether there is an indication that a heritage asset may be impaired. If any such indication exists, the metropolitan economic entity estimates the recoverable amount or the recoverable service amount of the heritage asset.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

The metropolitan economic entity derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

1.7 Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control.

Transactions between related parties other than transactions that would occur within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those which it is reasonable to expect the entity would have adopted if dealing with that individual or entity at arm's length in the same circumstances are disclosed within the annual financial statements.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.8 Investment in associate

An associate is an entity over which the Metropolitan economic entity is in a position to exercise significant influence, through participation in the financial and operating policy decisions of the investment.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting.

The carrying value of the investment in associates is adjusted for the municipality's share of operating surpluses/ (deficits) less any dividends received.

Where the Metropolitan economic entity or its entities transact with an associate, unrealised gains and losses are eliminated to the extent of the municipality's or its municipal entities' interest in the relevant associate, except where unrealised losses provide evidence of an impairment of the asset transferred.

Where the Metropolitan economic entity is no longer able to exercise significant influence over the associate, the equity method of accounting is discontinued.

The Metropolitan economic entity uses the most recent available financial statements of the associate in applying the equity method. When the reporting dates are different, the Metropolitan economic entity makes adjustments for the effects of any significant events or transactions between the investor and the associate that occur between the different reporting dates. Adjustments are made to ensure consistency between the accounting policies of the associate and the Metropolitan economic entity.

Accounting Policies

1.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Accounting Policies

1.9 Financial instruments (continued)

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are combined instruments that are designated at fair value and/or instruments held for trading.

A financial instrument is held for trading if:

> it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or

> on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking; and

> financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Accounting Policies

1.9 Financial instruments (continued)

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position and in note 26 :

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Trade and other receivables from non-exchange transactions	Financial asset measured at amortised cost
Vat receivable	Financial asset measured at amortised cost
Other receivables from exchange transactions	Financial asset measured at amortised cost
Long-term receivables	Financial asset measured at amortised cost
Non-current investments	Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in note 27 :

Class	Category
Borrowings	Financial liability measured at amortised cost
Trade and other payables	Financial liability measured at amortised cost
Unspent conditional grants	Financial liability measured at amortised cost
Accrued leave pay	Financial liability measured at amortised cost
BCMET	Financial liability measured at amortised cost
Payments received in advance	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at fair value
Other deposits	Financial liability measured at fair value

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Accounting Policies

1.9 Financial instruments (continued)

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an entity calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

Reclassification

The entity does not reclassify a financial instrument while it is issued or held unless it is:

- a combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

Where the entity cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the entity reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

Accounting Policies

1.9 Financial instruments (continued)

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Dividends or similar distributions relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset, and the net amount presented in the statement of financial position, when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

1.10 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Accounting Policies

1.10 Tax (continued)

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable surplus will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable surplus will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in surplus or deficit for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to net assets; or
- a business combination.

Current tax and deferred taxes are charged or credited to net assets if the tax relates to items that are credited or charged, in the same or a different period, to net assets.

1.11 Leases

A lease is either a written of implied contract by which an owner (the lessor) of a specific asset grants a second party (the lessee) the right to its exclusive possession and use for a specific period and under spedific conditions, in return for specific periodic rental or lease payments.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease or the incremental borrowing rate.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate reduction on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Accounting Policies

1.11 Leases (continued)

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in the statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.12 Inventories

Inventories are initially measured at cost, except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the metropolitan economic entity incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the metropolitan economic entity.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.13 Impairment of cash-generating assets

Cash-generating assets are those assets held by the metropolitan economic entity with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation/amortisation.

The carrying amount is the amount at which an asset is recognised in the statement of financial position, after deducting any accumulated depreciation and accumulated impairment losses thereon.

Accounting Policies

1.13 Impairment of cash-generating assets (continued)

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation and/or amortisation is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

The useful life is either:

(a) the period of time over which an asset is expected to be used by the metropolitan economic entity; or
(b) the number of production or similar units expected to be obtained from the asset by the metropolitan economic entity.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The metropolitan economic entity assesses, at each reporting date, whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the metropolitan economic entity estimates the recoverable amount of the asset.

Value in use

The value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the metropolitan economic entity estimates the future cash inflows and outflows to be derived from continuing use of the asset, and from its ultimate disposal, and the metropolitan economic entity applies the appropriate discount rate to those future cash flows.

Accounting Policies

1.13 Impairment of cash-generating assets (continued)

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the metropolitan economic entity determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the metropolitan economic entity use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Accounting Policies

1.13 Impairment of cash-generating assets (continued)

Reversal of impairment loss

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

1.14 Impairment of non-cash-generating assets

Cash-generating assets are those assets held by the metropolitan economic entity with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation/amortisation.

The carrying amount is the amount at which an asset is recognised in the statement of financial position, after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation and/or amortisation is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

The recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

The useful life is either:

- the period of time over which an asset is expected to be used by the metropolitan economic entity; or

Accounting Policies

1.14 Impairment of non-cash-generating assets (continued)

- the number of production or similar units expected to be obtained from the asset by the metropolitan economic entity.

At each reporting date a review is carried out to determine whether there are any indications that any assets and non-cash-generating units may be impaired. If such indications exist, the recoverable amounts of the affected assets are determined.

Where the recoverable amount of an asset or non-cash-generating unit is lower than its carrying amount, an impairment loss is recognised in surplus or deficit in respect of assets at historic cost, and recognised in the the revaluation reserve in respect of assets at revalued amounts.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The metropolitan economic entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the metropolitan economic entity estimates the recoverable service amount of the asset.

Value in use

The value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of the non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the metropolitan economic entity would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the metropolitan economic entity recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation/amortisation charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Accounting Policies

1.14 Impairment of non-cash-generating assets (continued)

Reversal of an impairment loss

The metropolitan economic entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the metropolitan economic entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation/amortisation charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occurs when there is clear evidence that such a redesignation is appropriate.

1.15 Employee benefits

Employee benefits are all forms of consideration given by a metropolitan economic entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party of the reporting metropolitan economic entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting metropolitan economic entity's own creditors (even in liquidation) and cannot be paid to the reporting metropolitan economic entity, unless either:

- the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- the proceeds are returned to the reporting metropolitan economic entity to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

- a metropolitan economic entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits.

A constructive obligation is an obligation that derives from a metropolitan economic entity's actions whereby an established pattern of past practice, published policies or a sufficiently specific current statement whereby the metropolitan economic entity has indicated to other parties that it will accept certain responsibilities and as a result, the metropolitan economic entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Accounting Policies

1.15 Employee benefits (continued)

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the metropolitan economic entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The metropolitan economic entity measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Metropolitan economic entity recognises the expected cost of bonus, incentive and performance related payments when the metropolitan economic entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which a metropolitan economic entity provides post-employment benefits for one or more employees.

Post-employment benefits: Defined contribution plans

Defined contribution plans are post-employment benefit plans under which a metropolitan economic entity pays fixed contributions into a separate municipal fund and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the metropolitan economic entity during a reporting period, the metropolitan economic entity recognise the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, a metropolitan economic entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

Accounting Policies

1.15 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise of expense adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the metropolitan economic entity recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting metropolitan economic entity) that are held by a metropolitan economic entity (a fund) that is legally separate from the reporting metropolitan economic entity and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting metropolitan economic entity's own creditors (even in liquidation), and cannot be returned to the reporting metropolitan economic entity, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting metropolitan economic entity; or
- the assets are returned to the reporting metropolitan economic entity to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the Metropolitan economic entity recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The Metropolitan economic entity accounts not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the metropolitan economic entity's informal practices. Informal practices give rise to a constructive obligation where the metropolitan economic entity has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the metropolitan economic entity's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement.

The amount determined as a defined benefit liability may be negative (an asset). The metropolitan economic entity measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

Accounting Policies

1.15 Employee benefits (continued)

The metropolitan economic entity determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The metropolitan economic entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The Metropolitan economic entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, a metropolitan economic entity shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, a metropolitan economic entity shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); or until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The metropolitan economic entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the metropolitan economic entity re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. Within surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The metropolitan economic entity offsets an asset relating to one plan against a liability relating to another plan when the metropolitan economic entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Accounting Policies

1.15 Employee benefits (continued)

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
- those changes were enacted before the reporting date; or past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

1.16 Provisions and contingencies

Provisions are recognised when:

- the metropolitan economic entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the metropolitan economic entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Accounting Policies

1.16 Provisions and contingencies (continued)

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - > the activity/operating unit or part of an activity/operating unit concerned;
  - > the principal locations affected;
  - > the location, function, and approximate number of employees who will be compensated for services being terminated;
  - > the expenditures that will be undertaken; and
  - > when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the metropolitan economic entity

No obligation arises as a consequence of the sale or transfer of an operation until the metropolitan economic entity is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingencies are disclosed in note 47 and note 61.

1.17 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the Metropolitan economic entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the metropolitan economic entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the metropolitan economic entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the metropolitan economic entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Accounting Policies

1.17 Revenue from exchange transactions (continued)

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the metropolitan economic entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by surveys of work performed.

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the metropolitan economic entity, and
- the amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends, or their equivalents are recognised, in surplus or deficit, when the metropolitan economic entity's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.18 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a metropolitan economic entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arises when the metropolitan economic entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a metropolitan economic entity either receives value from another metropolitan economic entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Accounting Policies

1.18 Revenue from non-exchange transactions (continued)

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting metropolitan economic entity.

Taxes such as property rates are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the metropolitan economic entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the metropolitan economic entity.

When, as a result of a non-exchange transaction, the metropolitan economic entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Taxes

The metropolitan economic entity recognises an asset in respect of taxes when the taxable event occurs and the asset recognition criteria are met.

Transfers

The metropolitan economic entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Debt forgiveness and assumption of liabilities

The metropolitan economic entity recognise revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability.

Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

Accounting Policies

1.18 Revenue from non-exchange transactions (continued)

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the metropolitan economic entity.

Where the metropolitan economic entity collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Bequests

Bequests that satisfy the definition of an asset are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the metropolitan economic entity, and the fair value of the assets can be measured reliably.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the metropolitan economic entity and the fair value of the assets can be measured reliably.

1.19 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.20 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any investment income on the temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the metropolitan economic entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when all the following conditions have been met:

- expenditures for the asset have been incurred;
- borrowing costs have been incurred; and
- activities that are necessary to prepare the asset for its intended use or sale are undertaken.

When the carrying amount or the expected ultimate cost of the qualifying asset exceeds its recoverable amount or recoverable service amount or net realisable value or replacement cost, the carrying amount is written down or written off in accordance with the accounting policy on Impairment of Assets as per accounting policy number 1.13 and 1.14. In certain circumstances, the amount of the write-down or write-off is written back in accordance with the same accounting policy.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

When the metropolitan economic entity completes the construction of a qualifying asset in parts and each part is capable of being used while construction continues on other parts, the entity ceases capitalising borrowing costs when it completes substantially all the activities necessary to prepare that part for its intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.21 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

Accounting Policies

1.22 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.23 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.24 Irregular expenditure

Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.25 Use of estimates

The preparation of annual financial statements in conformity with Standards of GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the metropolitan economic entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the annual financial statements are disclosed in the relevant sections of the annual financial statements. Although these estimates are based on management's best knowledge of current events and actions they may undertake in the future, actual results ultimately may differ from those estimates.

1.26 Offsetting

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

Accounting Policies

1.27 Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

1.28 Investments

Where the carrying amount of an investment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the statement of financial performance.

1.29 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the metropolitan economic entity has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

1.30 Budget information

Municipalities are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by the metropolitan economic entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a accrual basis and presented by functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2012/07/01 to 2013/06/30.

The budget for the Metropolitan economic entity includes all the entities approved budgets under its control.

Comparative information is not required.

Differences between budget and actual amounts are regarded as material differences when a 10% difference exists. All material differences are explained in note 4 to the annual financial statements.

1.31 Value added tax (VAT)

The Metropolitan economic entity accounts for value added tax on the payment basis. Revenue, expenses and assets are recognised net of the amount of VAT. The net amount of VAT recoverable from or payable to, the taxation authority is disclosed on the face of the statement of financial position. Refer to note 9.

1.32 Commitments

Items are classified as commitments when the Metropolitan economic entity has committed itself to future transactions that will normally result in the outflow of cash. A commitment is disclosed to the extent that it has not already been recognised elsewhere in the financial statements.

At the end of each financial period the Metropolitan economic entity determines commitments in respect of capital expenditure that has been approved and contracted for which is then disclosed as a note in the annual financial statements differentiating between community, infrastructure and other capital expenditure commitments. Refer to note 46.

Notes to the Annual Financial Statements

2. Changes in accounting policy

The annual financial statements have been prepared in accordance with the South African Standards of Generally Recognised Accounting Practice on a basis consistent with the prior year except for the following new standards as issued by the Accounting Standard Board:

- GRAP 23 Revenue from non-exchange transactions.
- GRAP 24 Presentation of budget information in the financial statement
- GRAP 21 Impairment of non-exchange transactions
- GRAP 26 Impairment of exchange transactions
- GRAP 103 Heritage assets
- GRAP 104 Financial instruments

Figures in Rand	2013	2012 Restated

2. Changes in accounting policy (continued)

Change in accounting policy and review of asset classification in line with the revised Immovable Asset Management Policy

During the year, the Metropolitan Economic Entity changed its accounting policy in respect of the subsequent measurement of Roads, Community properties, Other properties and Land from the cost model to the revaluation model. The Metropolitan Economic Entity is of the opinion that the new subsequent measurement for these asset sub categories will result in fairer presentation of the financial position and operating results. Within the revaluation process there were multiple reclassifications between the various sub-categories in order to accurately revalue and classify the assets. In addition, the Metropolitan Economic Entity also adopted GRAP 103 (Heritage Assets) which necessitated the reclassification of certain items of PPE to Heritage Assets in accordance with the GRAP 103, The change in accounting policy has been accounted for retrospectively and the comparative amounts have been restated, the revaluation was performed as at 1 July 2012. The effect of this change in accounting policy is as follows:

Statement of Financial Performance	**Roads**	**Community**	**Land**	**Investment property**	**Heritage assets**	**Total**
Buildings	26,447	13,525,465	59,000	-	1,291,920	14,902,832
Other properties	-	(22,576,453)	-	-	-	(22,576,453)
Recreational facilities	-	(9,672,026)	-	-	33,280	(9,638,746)
Roads	(179,328,411)	-	-	-	-	(179,328,411)
Community buildings	45,600	(28,119,160)	15,312	-	243,413	(27,814,835)
(Increase) / Decrease in depreciation	(179,256,364)	(46,842,174)	74,312	-	1,568,613	(224,455,613)
(Increase) / Decrease in revaluation deficit	-	-	(1,212,982,040)	-	-	-
Increase / (Decrease) in profit on sale of assets	(2,389,719)	(5,701,032)	309,348	-	-	(7,781,403)
Increase / (Decrease) in revaluation reserve realised on disposal / impairment	1,721,185	942,683	-	-	-	2,663,868
Increase / (Decrease) in profit for the year	**(179,924,898)**	**(51,600,523)**	**(1,212,598,380)**	**-**	**1,568,613**	**(229,573,148)**

Statement of Financial Position	**Roads**	**Community**	**Land**	**Investment property**	**Heritage assets**	**Total**
Land	220,275,327	148,524,803	1,206,918,330	-	18,341,383	1,594,059,843
Buildings	714,060	371,366,684	1,593,000	-	34,881,840	408,555,584
Other properties	-	(260,898,977)	-	-	-	(260,898,977)
Work in progress	(15,537,544)	(52,670,071)	(442,882)	-	-	(68,650,497)
Recreational facilities	-	(111,222,067)	-	-	898,560	(110,323,507)
Roads	(2,237,912,094)	-	-	-	-	(2,237,912,094)
Community buildings	1,231,200	(298,417,103)	429,746	-	6,572,160	(290,183,997)
(Increase) / Decrease in PPE	(2,031,229,051)	(203,316,731)	1,208,498,194	-	60,693,943	(965,353,645)
(Increase) / Decrease in investment properties	3,322,921	71,333,916	4,100,186	-	249,600	79,006,623
(Increase) / Decrease in heritage assets	-	-	-	-	(36,327,783)	(36,327,783)

Statement of Changes in Net Assets	**Roads**	**Community**	**Land**	**Investment property**	**Heritage assets**	**Total**
Increase / (Decrease) in accumulated surplus / deficit	-	-	-	-	(26,184,374)	(26,184,374)
Increase / (Decrease) in revaluation reserve	2,207,831,028	183,583,339	-	-	-	2,391,414,367

Notes to the Annual Financial Statements

3. New standards and interpretations

3.1 Standards and interpretations effective and adopted in the current year

In the current year, the metropolitan economic entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
▸ GRAP 23: Revenue from Non-exchange Transactions	01 July 2012	The major impact will be the accounting treatment of conditional grants and fines.
▸ GRAP 24: Presentation of Budget Information in the Financial Statements	01 July 2012	Major change in presenting the Budget information compared to actuals in the Financial Statements.
▸ GRAP 103: Heritage Assets	01 July 2012	This standard requires a more detailed approach to identifying and presenting the heritage assets in the Annual Financial Statements.
▸ GRAP 21: Impairment of non-cash-generating assets	01 July 2012	No major impact as the municipality has already accepted a policy based on GRAP 21.
▸ GRAP 26: Impairment of cash-generating assets	01 July 2012	No major impact as the municipality has already accepted a policy based on GRAP 26.
▸ GRAP 104: Financial Instruments	01 July 2012	No major impact as the municipality has already accepted a policy based on GRAP 104.

3.2 Standards and interpretations issued, but not yet effective

The metropolitan economic entity has not applied the following standards and interpretations, which have been published and are mandatory for the metropolitan economic entity's accounting periods beginning on or after 01 July 2013 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
▸ GRAP 25: Employee benefits	01 July 2013	No major impact expected
▸ GRAP 20: Related parties	01 July 2013	No major impact expected
▸ IGRAP 11: Consolidation – Special purpose entities	01 July 2014	No major impact expected
▸ IGRAP 12: Jointly controlled entities – Non-monetary contributions by ventures	01 July 2014	No major impact expected
▸ GRAP 1 (as revised 2012): Presentation of Financial Statements	01 July 2013	No major impact expected
▸ GRAP 3 (as revised 2012): Accounting Policies, Change in Accounting Estimates and Errors	01 July 2013	No major impact expected
▸ GRAP 7 (as revised 2012): Investments in Associates	01 July 2013	No major impact expected
▸ GRAP 9 (as revised 2012): Revenue from Exchange Transactions	01 July 2013	No major impact expected
▸ GRAP 12 (as revised 2012): Inventories	01 July 2013	No major impact expected
▸ GRAP 13 (as revised 2012): Leases	01 July 2013	No major impact expected
▸ GRAP 16 (as revised 2012): Investment Property	01 July 2013	No major impact expected

Notes to the Annual Financial Statements

3. New standards and interpretations (continued)

▸ GRAP 17 (as revised 2012): Property, Plant and Equipment	01 July 2013	No major impact expected
▸ GRAP 27 (as revised 2012): Agriculture (Replaces GRAP 101)	01 July 2013	No major impact expected
▸ GRAP 31 (as revised 2012): Intangible Assets (Replaces GRAP 102)	01 July 2013	No major impact expected
▸ IGRAP16: Intangible assets website costs	01 July 2013	No major impact expected
▸ IGRAP1 (as revised 2012):Applying the probability test on initial recognition of revenue	01 July 2013	No major impact expected

3.3 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the metropolitan economic entity's accounting periods beginning on or after 01 July 2013 or later periods but are not relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
▸ GRAP 18: Segment Reporting	01 July 2013	Not applicable
▸ GRAP 105: Transfers of functions between entities under common control	01 July 2013	Not applicable
▸ GRAP 106: Transfers of functions between entities not under common control	01 July 2013	Not applicable
▸ GRAP 107: Mergers	01 July 2013	Not applicable

4. Explanation of significant variances on budget comparison to actuals

Reasons for material variances shown on the **Statement of Comparison of Budget and Actual Amounts** are detailed below:

REVENUE

Investment revenue
The institution budgeted to incur expenditure from conditional grant funding from an earlier point in the financial year. This did not occur resulting in conditional grant funding being available for investment resulting in additional unbudgeted interest income.

EXPENDITURE

Debt impairment
The debt impairment figure is calculated using the approved methodology on the debt book as at 30 June 2013. This figure allows the Metropolitan economic entity to make a realistic provision taking into account the ageing of the outstanding debtors at year end. The budget for debt impairment is based on the 12 months average collection rate. The debtors provision methodology was amended in order to obtain a more realistic figure.

Depreciation & asset impairment
The asset register is currently being revised for certain infrastructure asset categories which has led to an increase in the cost of these assets and the resulting depreciation on them, which was not budgeted for. This is also due to a large amount of infrastructure projects that were still under construction (WIP) when the budgeted figures were calculated. This resulted in depreciation being charged when these assets were capitalised which was not budgeted for. In addition, the budgeted figures are also based on the capital budget, which is still budgeted for on a globular basis and not componentised per asset category. This results in the budgeted figures differing from actuals due to different useful lives used for budgeting purposes and actual asset capitalisation i.e. specific useful lives are assigned to asset categories once these assets are capitalised.

Transfers and grants
This variance arose as a result of less payments being made for grant-in-aid that was originally predicted. Furthermore, a grant was budgeted for iro the Buffalo City Development Agency as it was expected that this entity would be operational, however this did not materialise. Poor relief was also expensed against transfers and grants whereas the amount was budgeted under general expenses.

Other expenditure
This is due to under spending on operating projects and contracted services. The allocated budget for Enterprise Project Management Office was intended for staffing of the EPMO however the recruitment of staff took longer than expected resulting in the slow utilisation of the budget. For contracted services - this is due to BCMM adopting an in-house approach to perform the refuse removal service. This service was expected to be outsourced when preparing the budget.

Transfers recognised - Capital
This is due to underspending on conditional grant funded projects.

4. Explanation of significent variances on budget comparison to actuals (continued)

CAPITAL EXPENDITURE AND FUNDS SOURCES

Total capital expenditure
Although the capital expenditure budget reflects an unspent amount of R384 618 159, a large portion of this can be attributed to litigation including two substantial projects.National Treasury has approved that a grant amount of R173 071 548 in respect of this underspent amount can be retained for use in the 2013/14 financial year.

CASH FLOWS

Net cash from (used) investing
This is due to under spending on capital projects as purchase of Property Plant and Equipment is less than what has been projected.

Net cash from (used) financing
This is due to the increase in the utilisation of grant funding.

Figures in Rand	2013	2012 Restated

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	72,639	68,640
Bank balances	145,945,220	57,689,018
Short-term deposits	1,697,297,653	1,464,211,075
	1,843,315,512	**1,521,968,733**
Current assets	1,843,315,512	1,521,968,733
	1,843,315,512	**1,521,968,733**
Allocation of external investments (short-term deposits)		
Unspent conditional and unconditional grants and receipts	450,148,613	787,665,935
Housing collateral for employees housing loans with lending institutions	231,150	271,950
Borrowing current repayments	25,528,353	24,224,397
Cash flow committed to operating and capital budgets	81,627,983	111,897,042
BCMET	1,645,346	1,798,913
Own funding (operating account commitments)	1,138,116,208	538,352,838
Total short-term deposits	**1,697,297,653**	**1,464,211,075**
Short-term deposits per institution		
ABSA (interest range: 2013 4.5%-5% : 2012 5%-5.86%)	424,335,564	374,200,819
Nedbank (interest range: 2013 4.5%-5%: 2012 5%)	424,309,733	362,621,306
RMB (interest range: 2013 4.5%-5%: 2012 5% - 5,8%)	422,974,683	362,957,317
Standard bank (interest range: 2013 4.5%-5%: 2012 5% - 5.88%)	246,880,571	177,642,582
Stanlib (interest range: 2013 5.23%-5.7%: 2012 5.56% - 5.67%)	178,797,102	186,789,051
	1,697,297,653	**1,464,211,075**

Own funding includes the insurance and Compensation for Occupational Injuries and Diseases (COID) purposes.

No cash and cash equivalents (or portions thereof) was pledged as security for any financial liabilities.

No restrictions exist with regard to the use of cash.

No portion is past due or impaired.

These amounts best represent the maximum exposure to credit risk at the end of the reporting period, without taking account of any collateral held or other credit enhancements.

A cession by the Municipality in respect of the Department of Labour for COID amounts to R7 539 288 (2012: R6 997 418).

Figures in Rand		2013	2012 Restated

5. Cash and cash equivalents (continued)

The municipality had the following bank accounts:

Account number / description	Bank statement balances			Cash book balances		
	30 June 2013	30 June 2012	30 June 2011	30 June 2013	30 June 2012	30 June 2011
STANDARD BANK - Primary Account - 081-221-495	-	117,205,269	105,075,417	-	48,486,521	35,563,034
STANDARD BANK - Market Account - 081-246-072	-	1,230,770	1,875,348	-	1,218,902	409,473
STANDARD BANK - Inter Authority Account - 081-246-250	-	1,476,139	1,477,381	-	1,476,138	1,477,381
STANDARD BANK - Prism Account - 081-246-048	-	-	-	-	5,105,086	5,583,785
STANDARD BANK - BCMET Account - 081-098-359	-	111,882	7,304	-	111,882	7,304
ABSA BANK - Primary Account - 408-009-0281	148,477,033	-	-	138,627,064	-	-
ABSA BANK - Prism Account - 408-009-0574	-	-	-	2,930,618	-	-
ABSA BANK - Market Account - 408-009-0639	2,465,727	-	-	2,764,475	-	-
ABSA BANK - Unpaid Account - 408-009-0697	53,575	-	-	-	-	-
FIRST NATIONAL BANK - Operating Account - 620-987-17899	452,309	159,540	164,834	452,309	159,540	164,834
FIRST NATIONAL BANK - Money Market Account - 620-987-19358	1,170,039	1,130,642	1,087,253	1,170,039	1,130,642	1,087,253
Corporate Credit Card - 881-271-290-380-1000	571	163	282	571	163	282
Credit Card	144	144	144	144	144	144
Total	**152,619,398**	**121,314,549**	**109,687,963**	**145,945,220**	**57,689,018**	**44,293,490**

Cash book balances			
Bank balances		145,945,220	57,689,018
Prior period error	49		
Balance previously reported		-	55,405,935
Outstanding cheques recognised as market creditors	22	-	685,208
Reversing market cash on hand		-	1,597,875
Restated		**-**	**57,689,018**

As from 1 February 2013 BCMM changed the Council's bank accounts from Standard Bank to ABSA Bank.

The net cash book balance has been restated by R2 283 083 in the prior year to correctly disclose this balance which was incorrectly allocated (as per abovementioned details) in the prior year.

Figures in Rand	2013	2012 Restated

6. Inventories

Electricity store (Electrical maintenance parts)	8,461,153	14,067,505
Workshop store (Mechanical maintenance parts)	302,265	366,322
General stores (Chiselhurst,Mdantsane,KWT)	29,838,932	31,634,062
Water store (Water maintenance parts)	20,913,219	25,403,125
Fuel (Diesel, Petrol)	2,147,473	1,651,100
Unsold water (Treated water in pipelines & reservoirs)	2,755,898	2,297,627
Housing stock (RDP Houses)	12,288,185	41,823,101
	76,707,125	117,242,842
Inventories (write-downs)	(5,053,894)	(126,681)
	71,653,231	**117,116,161**

Carrying value of stock is disclosed at the lower of cost and net realisable value.

Certain houses constructed pre 1994 under the old Ciskei Municipality have not been legally transferred to the beneficiaries occupying the houses. These properties are not categorised as RDP inventory because the properties are occupied by rightful beneficiaries. The Municipality has taken the initiative to collect all information and data to enable the transfer of these properties.

The inventories (write-downs) amount is in respect of obsolete stock and not due to a change in accounting policy.

Inventory pledged as security

No inventory was pledged as security.

7. Receivables from exchange transactions

Gross balances		
Electricity	179,922,270	164,575,388
Water	272,677,143	233,338,178
Sewerage	138,386,707	116,942,793
Refuse	166,289,611	139,417,302
Housing rental	2,655,609	2,126,090
	759,931,340	**656,399,751**
Less: Allowance for debt impairment		
Electricity	(34,095,753)	(31,203,958)
Water	(153,995,448)	(139,785,764)
Sewerage	(82,214,605)	(76,331,740)
Refuse	(103,895,569)	(95,065,173)
Housing rental	(1,745,468)	(1,539,912)
	(375,946,843)	**(343,926,547)**
Net balance		
Electricity	145,826,517	133,371,430
Water	118,681,695	93,552,414
Sewerage	56,172,102	40,611,053
Refuse	62,394,042	44,352,129
Housing rental	910,141	586,178
	383,984,497	**312,473,204**

Notes to the Annual Financial Statements

Figures in Rand	2013	2012 Restated

7. Receivables from exchange transactions (continued)

Electricity		
Current (0 -30 days)	129,634,898	119,976,018
31 - 60 days	9,131,346	6,546,082
61 - 90 days	3,993,865	3,282,855
91 - 120 days	2,713,203	3,028,520
121 - 365 days	12,719,750	14,316,844
> 365 days	21,729,208	17,425,069
	179,922,270	**164,575,388**
Water		
Current (0 -30 days)	45,569,128	43,303,486
31 - 60 days	15,485,030	14,223,543
61 - 90 days	11,522,850	12,229,566
91 - 120 days	12,358,324	8,020,442
121 - 365 days	59,571,476	45,149,001
> 365 days	128,170,335	110,412,140
	272,677,143	**233,338,178**
Sewerage		
Current (0 -30 days)	17,156,112	15,639,625
31 - 60 days	7,540,485	7,041,355
61 - 90 days	6,357,435	6,554,367
91 - 120 days	6,908,407	4,038,096
121 - 365 days	28,903,566	21,985,759
> 365 days	71,520,702	61,683,591
	138,386,707	**116,942,793**
Refuse		
Current (0 -30 days)	13,088,301	13,252,182
31 - 60 days	7,091,785	7,373,244
61 - 90 days	6,214,883	7,029,977
91 - 120 days	7,053,807	4,735,207
121 - 365 days	36,527,159	25,137,766
> 365 days	96,313,676	81,888,926
	166,289,611	**139,417,302**
Housing rental		
Current (0 -30 days)	81,822	82,406
31 - 60 days	80,632	81,462
61 - 90 days	90,733	89,523
91 - 120 days	92,672	61,849
121 - 365 days	572,538	400,988
> 365 days	1,737,212	1,409,862
	2,655,609	**2,126,090**

Figures in Rand	2013	2012 Restated

7. Receivables from exchange transactions (continued)

Summary of debtors by customer classification:
(This refers to the total debtor classification including exchange and non- exchange transactions as per the billing system i.e. this includes rates and other billing receivables)

Domestic Debtors (including rates & other receivables (billing))		
Current (0 -30 days)	104,165,166	115,536,686
31 - 60 days	41,452,212	38,592,466
61 - 90 days	34,503,781	35,646,055
91 - 120 days	36,915,306	23,360,860
121 - 365 days	180,385,821	137,345,258
> 365 days	448,282,560	381,306,256
	845,704,846	731,787,581
Less: Allowance for debt impairment	(517,679,422)	(474,617,731)
	328,025,424	**257,169,850**
Industrial/ commercial (including rates and other receivables (billing))		
Current (0 -30 days)	138,520,545	114,915,186
31 - 60 days	13,182,174	11,131,834
61 - 90 days	6,679,649	6,206,593
91 - 120 days	4,634,651	4,931,523
121 - 365 days	23,193,900	25,840,401
> 365 days	40,440,547	40,547,113
	226,651,466	203,572,650
Less: Allowance for debt impairment	(47,436,659)	(54,278,387)
	179,214,807	**149,294,263**
National and provincial government (including rates and other receivables (billing))		
Current (0 -30 days)	12,871,484	12,511,991
31 - 60 days	1,317,899	1,089,261
61 - 90 days	197,480	193,753
91 - 120 days	135,216	601,906
121 - 365 days	1,117,195	1,621,884
> 365 days	909,032	1,212,030
	16,548,306	**17,230,825**
Total Debtors (including rates & other receivables (billing))		
Current (0 -30 days)	255,557,195	242,963,863
31 - 60 days	55,952,284	50,813,561
61 - 90 days	41,380,910	42,046,401
91 - 120 days	41,685,173	28,894,289
121 - 365 days	204,696,916	164,807,543
> 365 days	489,632,140	423,065,399
	1,088,904,618	952,591,056
Less: Allowance for debt impairment	(565,116,082)	(528,896,119)
	523,788,536	**423,694,937**
Ageing of allowance for debt impairment (including rates & other receivables (billing))		
Current (0 -30 days)	(270,122)	(252,809)
31 - 60 days	(40,446,357)	(37,854,030)
61 - 90 days	(33,467,910)	(31,322,854)
91 - 120 days	(22,999,150)	(21,525,067)
121 - 365 days	(131,182,790)	(122,774,896)
> 365 days	(336,749,752)	(315,166,463)
	(565,116,081)	**(528,896,119)**

Figures in Rand	2013	2012 Restated

7. Receivables from exchange transactions (continued)

Consumer debtors pledged as security

No portion of accounts receivable was pledged as security for any financial liabilities.

No security is held for any of the accounts receivable.

Credit quality of consumer debtors

The credit quality of consumer debtors that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates. Although credit quality can be assessed the Metropolitan economic entity did not apply any methods to evaluate the credit quality.

Consumer debtors impaired

As at 30 June 2013, consumer debtors of R 375,946,843 (2012: R 343,926,547) were impaired and provided for.

Amounts totaling R 61,842,336 (2012: R 50,331,640) were written off as uncollectable against the debt impairment allowance account. This represents 0.014 % (2012: 0.014 %) of the total operating income for the year.

Reconciliation of allowance for impairment of consumer debtors

Opening balance	(343,926,548)	(353,060,407)
Contributions during the year	(93,838,491)	(41,197,781)
Amounts written off as uncollectable	61,842,336	50,331,640
	(375,922,703)	**(343,926,548)**

The creation and release of allowance for impaired receivables have been included in operating expenses in the statement of financial performance (note 36). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

These amounts best represent the maximum exposure to credit risk at the end of the reporting period, without taking account of any collateral held or other credit enhancements.

Refer to note 8 regarding impairment of non-exchange transactions.

In terms of the arrangements to repay rates and services debt as at 30 June 2013, 5 048 debtors had active outstanding arrangements to the value of value of R17 710 816. The repayment periods range from 1 month to a maximum of 24 months in terms of the Credit Control Policy.

Figures in Rand		2013	2012 Restated
8. Receivables from non-exchange transactions			
Property rates		218,657,712	193,151,975
Other receivables (billing)		110,315,565	95,745,443
Accrued income		59,875,676	37,230,007
Other debtors		12,555,461	5,156,860
Impairment property rates		(189,169,239)	(184,969,572)
		212,235,175	**146,314,713**
Property rates age analysis			
Current (0-30days)		40,707,209	38,550,126
31-60 days		13,132,137	11,733,179
61-90 days		10,068,020	9,814,389
91-120 days		9,102,428	6,708,721
121-365 days		41,922,724	39,993,394
> 365 days		103,725,193	86,352,167
		218,657,711	**193,151,976**
Other receivables (billing)			
Current (0-30days)		9,319,725	12,160,024
31-60 days		3,490,869	3,814,694
61-90 days		3,133,125	3,045,724
91-120 days		3,456,332	2,301,454
121-365 days		24,479,702	17,823,791
> 365 days		66,435,813	56,599,756
		110,315,566	**95,745,443**
Prior period errors - Other receivables (billing)	49		
Previously reported		-	100,026,228
Adjusted		-	(4,280,785)
Restated		**-**	**95,745,443**
Prior period errors - Property rates	49		
Previously reported		-	196,165,077
Adjusted		-	(3,013,101)
Restated		**-**	**193,151,976**
Prior period error - Other debtors	49		
Balance previously reported		-	5,155,110
Adjusted for telephone expenditure overstated - BCDA		-	1,750
Restated		**-**	**5,156,860**
Summary of prior period errors	49		
Previously reported		-	153,606,850
Adjusted for other receivables (billing)		-	(4,280,785)
Adjusted for property rates		-	(3,013,101)
Adjusted for other debtors		-	1,750
Restated		**-**	**146,314,714**

Trade and other receivables pledged as security

No portion of accounts receivable was pledged as security for any financial liabilities.

No security is held for any accounts receivable.

Figures in Rand	2013	2012 Restated

8. Receivables from non-exchange transactions (continued)

These amounts best represent the maximum exposure to credit risk at the end of the reporting period, without taking account of any collateral held or other credit enhancements.

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings.

Although credit quality can be assessed the entity did not apply any methods to evaluate the credit quality.

Trade and other receivables impaired

As at 30 June 2013, trade and other receivables from non-exchange transactions of R 189,193,380 (2012: R 184,969,572) were impaired and provided for.

Amounts totaling R8,731,599 (2012: R10,932,684) were written off as uncollectable against the debt impairment allowance account.This represents 0.002 % (2012: 0.003 %) of the total operating income for the year.

Reconciliation of allowance for impairment of non-exchange transactions

Opening balance	(184,969,572)	(178,869,015)
Contributed during the year	(12,931,266)	(17,033,241)
Amounts written off as uncollectable	8,731,599	10,932,684
Other income	(24,141)	-
	(189,193,380)	**(184,969,572)**

The creation and release of provision for impaired receivables have been included in operating expenses in surplus or deficit (note 36). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

These amounts best represent the maximum exposure to credit risk at the end of the reporting period, without taking account of any collateral held or other credit enhancements.

9. VAT receivable

VAT	64,736,157	33,958,513

VAT is payable on the receipt basis. VAT is only declared to SARS on receipt of payment from consumers.

Figures in Rand	2013	2012 Restated

10. Operating leases averaged over total period

Operating lease rentals	64,178,748	61,573,702
Operating lease rentals		
Current assets	2,363,400	2,546,106
Non-current assets	61,815,348	59,027,596
	64,178,748	**61,573,702**
Municipality as lessor: Operating leases minimum future receivables		
No later than one year	2,235,772	1,636,966
Later than one year no later than 5 years	7,499,728	7,009,992
Later than 5 years	157,969,982	159,816,056
	167,705,482	**168,463,014**

These leases are in respect of municipal properties that are leased to third parties. These leases are payable by lessees, either monthly or annually. Leases payable monthly and annually by lessees escalate at annual fixed rates that vary between 0% and 12.5% annually.

No contingent rent was recognised as revenue because rental increases are escalated at a fixed percentage. Increases are not based on indices or bases that result in a fluctuating interest rate.

The operating lease accrual arises from the differences between the actual rental and average rental at balance sheet date. During the 2012/13 financial year the net amount of R2 605 046 (2012: R2 546 106) has been accrued.

Figures in Rand	2013	2012 Restated

11. Long-term receivables

Financial assets at amortised cost		
Sporting bodies and other loans	**57,353**	**70,451**
Non-current assets		
Financial assets at amortised cost	42,913	57,353
Current assets		
Financial assets at amortised cost	14,440	13,098
	57,353	**70,451**

Sporting bodies: Loans were granted to sporting bodies before the implementation of the MFMA. No new loans have been issued and the remaining loans are redeemable until 2016. The above amounts relate to two loans that were issued to Beacon Bay Country Club on 30 June 1995 and 30 June 1996 payable over 21.5 and 20.5 years with the last payment due on 31 December 2016 respectively.

No security is held for any of the long-term receivables.

The credit quality of long-term receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings. Although credit quality can be assessed the entity did not apply any methods to evaluate the credit quality.

No long-term receivables defaulted and no terms of any of the long-term receivables were re-negotiated.

These amounts best represent the maximum exposure to credit risk at the end of the reporting period, without taking account of any collateral held or other credit enhancements.

No portion of the long-term receivables was pledged as security for any financial liabilities.

12. Intangible assets

	2013			2012		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	20,826,639	(19,971,419)	855,220	20,826,639	(16,786,474)	4,040,165
Intangible assets under development	18,319,609	-	18,319,609	8,071,428	-	8,071,428
Total	**39,146,248**	**(19,971,419)**	**19,174,829**	**28,898,067**	**(16,786,474)**	**12,111,593**

Reconciliation of intangible assets - 2013

	Opening balance	Additions	Amortisation	Total
Computer software	4,040,164	-	(3,184,946)	855,218
Intangible assets under development	8,071,428	10,248,181	-	18,319,609
	12,111,592	**10,248,181**	**(3,184,946)**	**19,174,827**

Figures in Rand	2013	2012 Restated

12. Intangible assets (continued)

Reconciliation of intangible assets - 2012

	Opening balance	Additions	WIP Capitalised	Amortisation	Total
Computer software	6,517,926	-	1,999,413	(4,477,176)	4,040,165
Intangible assets under development	6,843,670	3,227,171	(1,999,413)	-	8,071,428
	13,361,596	**3,227,171**	**-**	**(4,477,176)**	**12,111,593**

Pledged as security

No Intangible Assets were pledged as security.

Intangible assets under development refers to computer software which are not yet available for use and are not amortised.

13. Investment property

	2013			2012		
	Cost/Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost/Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	308,191,202	-	308,191,202	320,297,778	-	320,297,778

Reconciliation of investment property - 2013

	Opening balance	Fair value adjustments	Total
Investment property	320,297,778	(12,106,576)	308,191,202

Reconciliation of investment property - 2012

	Opening balance	Fair value adjustments	Total
Investment property	332,812,331	(12,514,553)	320,297,778

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the metropolitan economic entity.

No Investment Properties were pledged as security.

The total direct operating expenses for repairs and maintenance on all municipal properties amounts to R12,682,400 (2012: R12,445,133), including repairs and maintenance expenses on investment properties.

Operational expenditure regarding investment property earning rentals and those that are not earning rentals are not available as these expenses pertaining to investment properties are not budgeted for separately on the budget.

There are no restrictions on investment properties.

There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Figures in Rand		2013	2012 Restated

13. Investment property (continued)

The values were determined by an external Professional Valuer registered with the South African Council for the Property Valuers Profession, Registration No. 5000/5.

The value of investment property, comprising of land and buildings was determined by using a combination of three valuation approaches. Each of these approaches assessed the relevance of each specific property based on their nature, use and comparible market transactions.

The preferred valuation methodology applied was that of comparible market related sales, based on use, location and extent. In cases where no reasonable comparible sales were available, the discounted cash flow methodology was used based on market related rentals for similar properties.

In the case of properties which were deemed to be classified as investment properties, for which no comparible market related sales nor rentals exist, such as golf courses, land was valued by multiplying the extent, as confirmed through the deeds office and cadastre, with comparible market related sales based on similar zoning, and not use. In the case of buildings associated with such properties, for which no comparible sales, past or present, could be established, the replacement cost of the buildings were deemed to reflect a fair value of the property.

Rental income from investment properties in respect of monthly and annual leases amounted to R9,051,892 (2012: R7,804,438).

Prior year error			
Previously reported 30 June 2011		-	220,776,439
Adjusted	25	-	112,035,892
Restated		**-**	**332,812,331**
Adjustments for 2012			
Adjusted opening balance as at 1 July 2011		-	332,812,331
Adjusted		-	(12,514,553)
Adjusted balance as at 30 June 2012		**-**	**320,297,778**

14. Heritage assets

	2013			2012		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Heritage sites	40,181,119	-	40,181,119	40,181,119	-	40,181,119

Reconciliation of heritage assets - 2013

	Opening balance	Total
Heritage sites	40,181,119	40,181,119

Reconciliation of heritage assets - 2012

	Opening balance	Additions	Total
Heritage sites	39,748,540	432,579	40,181,119

Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated owing to the uncertainty regarding their estimated useful lives.

Figures in Rand		2013	2012 Restated

14. Heritage assets (continued)

Prior year errors	49		
Balance previously reported		-	3,853,336
Prior period adjustment		-	(3,420,757)
Reclassification between asset categories		-	39,748,540
Restated		**-**	**40,181,119**

15. Property, plant and equipment

	2013			2012		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	464,574,105	-	464,574,105	449,132,223	-	449,132,223
Buildings	6,238,142	(817,660)	5,420,482	6,238,142	(611,636)	5,626,506
Plant and equipment	81,748,523	(45,114,725)	36,633,798	79,573,281	(33,909,777)	45,663,504
Furniture and fittings	39,504,184	(14,603,267)	24,900,917	33,936,438	(12,508,145)	21,428,293
Motor vehicles	268,830,816	(119,540,418)	149,290,398	244,667,868	(107,317,975)	137,349,893
Office equipment	42,905,395	(29,551,134)	13,354,261	36,972,408	(22,167,337)	14,805,071
IT equipment	96,726	(96,726)	-	96,739	(96,726)	13
Electricity	3,013,920,258	(1,755,608,137)	1,258,312,121	2,980,758,131	(1,663,232,155)	1,317,525,976
Other properties	1,023,017,538	(399,698,734)	623,318,804	1,034,489,242	(371,054,655)	663,434,587
Work in progress (WIP)	805,069,886	-	805,069,886	448,544,381	-	448,544,381
Recreational facilities	280,037,379	(148,686,252)	131,351,127	278,777,816	(137,957,116)	140,820,700
Finance Leased Assets	8,589,038	(2,122,000)	6,467,038	3,584,866	(1,160,733)	2,424,133
Roads	7,848,956,203	(3,776,238,679)	4,072,717,524	7,764,461,969	(3,478,625,907)	4,285,836,062
Wastewater network	3,300,214,464	(2,376,599,632)	923,614,832	3,299,029,616	(2,269,923,610)	1,029,106,006
Water network	3,406,360,896	(2,322,382,161)	1,083,978,735	3,403,132,407	(2,263,957,297)	1,139,175,110
Community buildings	950,582,505	(496,866,760)	453,715,745	950,145,635	(461,636,808)	488,508,827
Total	**21,540,646,058**	**(11,487,926,285)**	**10,052,719,773**	**21,013,541,162**	**(10,824,159,877)**	**10,189,381,285**

Figures in Rand	2013	2012 Restated

15. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2013

	Opening balance	Additions	Non-cash additions	Disposals	Transfers	Adjustments	WIP capitalised	Depreciation	Impairment loss	Total
Land	449,132,223	15,441,882	-	-	-	-	-	-	-	464,574,105
Buildings	5,626,506	-	-	-	-	-	-	(206,024)	-	5,420,482
Plant and equipment	45,663,503	2,019,745	-	(7,067)	-	181,897	-	(11,224,280)	-	36,633,798
Furniture and fittings	21,428,294	1,461,311	-	(10)	-	4,155,191	-	(2,143,869)	-	24,900,917
Motor vehicles	137,349,892	25,645,938	-	(874,854)	-	-	-	(12,830,578)	-	149,290,398
Office equipment	14,805,072	3,447,848	-	(1,187)	-	2,513,590	-	(7,411,062)	-	13,354,261
Electricity	1,317,525,979	33,162,129	-	-	-	-	-	(92,375,987)	-	1,258,312,121
Other properties	663,434,587	-	-	(26)	(11,464,486)	-	-	(28,651,271)	-	623,318,804
Work in progress (WIP)	448,544,382	416,157,702	2,571,797	-	-	-	(62,203,996)	-	-	805,069,886
Recreational facilities	140,820,700	623,149	253,616	(215,882)	-	-	758,080	(10,888,536)	-	131,351,127
Finance Leased Assets	2,424,134	-	5,004,172	-	-	-	-	(961,268)	-	6,467,038
Roads	4,285,836,062	80,427,239	-	(25,725,712)	-	-	61,445,916	(329,265,981)	-	4,072,717,524
Wastewater network	1,029,106,006	1,184,848	-	-	-	-	-	(106,676,022)	-	923,614,832
Water network	1,139,175,104	3,228,489	-	-	-	-	-	(58,424,858)	-	1,083,978,735
Community buildings	488,508,827	436,871	-	-	-	-	-	(35,106,418)	(123,535)	453,715,745
IT equipment	13	-	-	(13)	-	-	-	-	-	-
	10,189,381,284	**583,237,151**	**7,829,585**	**(26,824,751)**	**(11,464,486)**	**6,850,678**	**-**	**(696,166,154)**	**(123,535)**	**10,052,719,773**

Figures in Rand	2013	2012 Restated

15. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2012

	Opening balance	Additions	Non-cash additions	Disposals	WIP capitalised	Depreciation	Impairment loss	Total
Land	449,135,223	-	-	(3,000)	-	-	-	449,132,223
Buildings	5,832,531	-	-	-	-	(206,025)	-	5,626,506
Plant and equipment	34,186,969	12,433,148	-	(48,489)	8,902,707	(9,810,831)	-	45,663,504
Furniture and fittings	23,158,558	101,220	-	(2,950)	145,855	(1,974,390)	-	21,428,293
Motor vehicles	130,703,998	19,460,508	-	(649,812)	-	(12,164,801)	-	137,349,893
Office equipment	14,856,383	6,864,306	-	(10,716)	-	(6,904,902)	-	14,805,071
Electricity	1,366,090,288	5,264,320	-	(1,324,763)	43,136,802	(95,640,666)	-	1,317,525,981
Other properties	665,661,436	1,779,687	25,496,118	-	-	(29,502,654)	-	663,434,587
Work in progress (WIP)	624,802,216	121,145,787	-	-	(297,403,622)	-	-	448,544,381
Recreational facilities	149,373,486	2,275,871	-	(51,217)	-	(10,777,440)	-	140,820,700
Finance Leased Assets	2,229,488	-	749,791	-	-	(555,146)	-	2,424,133
Roads	4,521,192,834	34,504,364	-	(2,399,672)	29,304,968	(294,967,857)	(1,798,575)	4,285,836,062
Wastewater network	989,866,882	3,876,961	-	(16,411)	141,342,205	(105,963,631)	-	1,029,106,006
Water network	1,144,726,616	2,042,918	-	-	60,367,359	(67,961,789)	-	1,139,175,104
Community buildings	510,262,501	4,487,177	-	(5,649,815)	14,203,726	(34,794,763)	-	488,508,826
IT equipment	13	-	-	-	-	-	-	13
	10,632,079,422	**214,236,267**	**26,245,909**	**(10,156,845)**	**-**	**(671,224,895)**	**(1,798,575)**	**10,189,381,283**

Figures in Rand	2013	2012 Restated

15. Property, plant and equipment (continued)

Proceeds on disposal of PPE	**2013**	**2012**
Carrying value of PPE	26,824,751	10,156,845
Net gain/(loss) on disposal of assets	(8,166,366)	(7,546,528)
Total	**18,658,385**	**2,610,317**

Water network	49	
Balance previously reported		1,264,294,499
Prior period adjustments		(125,119,389)
Restated balance		**1,139,175,110**
Roads	49	
Balance previously reported		2,043,540,191
Prior period adjustments		4,383,777
Reclassification between asset categories		- 2,237,912,095
Restated balance		**4,285,836,063**
Land	49	
Balance previously reported		- 3,131,787,499
Prior period adjustments		- (2,313,722,612)
Reclassification between asset categories		- (368,932,664)
Restated balance		**- 449,132,223**
Buildings	49	
Balance previously reported		- 1,145,917,099
Prior period adjustment		- (844,950,428)
Reclassification between asset categories		- (295,340,165)
Restated balance		**- 5,626,506**
Other properties	49	

Figures in Rand		2013	2012 Restated
15. Property, plant and equipment (continued)			
Balance previously reported			- 416,664,790
Prior period Landfill site opening balance adjustment	21		- (12,536,461)
Prior period Landfill site movement adjustment	21		- (1,592,723)
Reclassification between asset categories			- 260,898,978
Restated balance			**- 663,434,584**
Work in progress	49		
Balance previously reported			- 424,832,747
Prior period adjustments			- (36,230,591)
Reclassification between asset categories			- 59,942,225
			- 448,544,381
Recreational facilities	49		
Balance previously reported			- 61,956,194
Prior period adjustments			- (32,841,173)
Reclassification between asset categories			- 111,705,679
			- 140,820,700
Community buildings	49		
Balance previously reported			- 236,221,253
Prior period adjustments			- (30,311,285)
Reclassification between asset categories			- 282,598,858
			- 488,508,826
Non-cash movements 2013	45		
Recreational facilities adjustment (also adjusted to equity)			- (253,616)
Recreational facilities disposal (also adjusted to operating account)			- 37,693
			- (215,923)
Prior year adjustments	45		
Property, plant and equipment adjustment to loss on disposal of assets			- 3,733,952

Figures in Rand		2013	2012 Restated
15. Property, plant and equipment (continued)			
Property, plant and equipment adjustment to opening balance			- 50,142,699
Adjustment of prior year transactions			**- 53,876,651**
Electricity			
Balance previously reported			- 1,351,116,031
Prior year opening balance adjustment	49		- (34,429,802)
Prior period adjustment	49		- 839,751
Restated			**- 1,317,525,980**

There are currently 8 468 assets that have carrying values between R0.00 and R1.00, which are still in use.

As at 30 June 2013 there are 6 buses that are temporary idle with a carrying value of R 10 738 939.

As at 30 June 2013 the total cost of all fully depreciated assets amount to R 939 183 915 (2012 restated: R 472 948 560).

As at 30 June 2013 there are no assets retired from active use and held for disposal.

Pledged as security

No assets were pledged as security except for those assets subject to finance lease as disclosed below.

BCMM maintains a separate register for approximately 15 000 properties whereby BCMM holds title but does not exercise control over these properties which have therefore not been recognised in the financial statements.

Borrowing costs capitalised

No borrowing costs were capitalised during the year.

Assets subject to finance lease (Net carrying amount)

Leases - Office equipment	6,467,038	2,424,134

Figures in Rand	2013	2012 Restated

15. Property, plant and equipment (continued)

Revaluations

The values were determined by an external Professional Valuer registered with the South African Council for the Property Valuers Profession, Registration No. 5000/5.

The value of property, comprising of land and buildings was determined by using a combination of three valuation approaches. Each of these approaches assessed the relevance of each specific property based on their nature, use and comparible market transactions.

The preferred valuation methodology applied was that of comparible market related sales, based on use, location and extent. In cases where no reasonable comparible sales were available, the discounted cash flow methodology was used based on market related rentals for similar properties

Land and buildings are re-valued every 4 years.
The fair values were determined directly by reference to observable prices and an active market or recent market transactions at arms length terms.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the Metropolitan economic entity. The Metropolitan economic entity has taken all reasonable steps to ensure the completeness of the fixed asset register by using the best international and local methodology and practice for asset verification, within the limits of the available organisational, human and financial capacity.

16. Non-current investments

These investments are classified as financial assets at amortised cost.

No security is held for any of the non-current investments.

No non-current investments defaulted and no terms of any of the non-current investments were re-negotiated.

No portion of the non-current investments was pledged as security for any financial liabilities.

The credit quality of non-current investments that are neither past nor due nor impaired can be assessed by reference to external credit ratings. Although credit quality can be assessed the entity did not apply any methods to evaluate the credit quality.

No portion is past due or impaired.

These amounts best represent the maximum exposure to credit risk at the end of the reporting period, without taking account of any collateral held or other credit enhancements.

Fixed term deposits of R890 894 (2012: R856 600) are invested with Nedbank at interest rates of 2% - 5.17% (2012: 2% - 5.32%)

Fixed deposits long term	892,235	856,601
	892,235	**856,601**

Figures in Rand	2013	2012 Restated

17. Investment in associate

Name of entity	Listed / Unlisted	% holding 2013	% holding 2012	Carrying amount 2013	Carrying amount 2012	Fair value 2013	Fair value 2012
East London Industrial Development Zone (Pty) Ltd (IDZ)	Unlisted			-	-	260	260
BCMM share in IDZ - 26,000 shares @ 0,01c		26.00 %	26.00 %	260	260	-	-
				260	260	260	260

The carrying amount of the associate is shown net of impairment losses.

Movements in carrying value

Opening balance	260	260

Investment in associate at 30 June 2013 amounted to R 260 (2012: R 260).

In the prior period the associate incurred a deficit which resulted in the Metropolitan Economic Entity's interest (accumulated share of surplus in the associate) being reduced by R12 087 832.

Fair value

Management could not make a reliable estimate of the fair value of the associate as the information to determine the fair value is not readily available. Management however believes that the face value approximates the fair value of the shares.

Principal activities, country of incorporation and voting power

Legal name	Principal activity	Country	Proportion of voting power
East London Industrial Development Zone (Pty)Ltd	Development of East London's industrial development zone.	SA	26%

Summary of controlled entity's interest in associate

Total equity	(18,206,980)	(29,526,840)
Total liabilities	336,908,841	442,683,592
Total assets	318,701,861	413,156,752
Deficit	(2,626,082)	(13,890,166)
Revenue	4,896,511	6,476,798

Associate with different reporting dates

The financial statements of East London Industrial Development Zone (Proprietary) Limited are prepared for the accounting period 01 April 2012 to 31 March 2013. The results for the quarter ending 30 June 2013 were not available at the time of completing the Financial Statements.

Unrecognised share of loss of associate

The metropolitan economic entity does not recognise its share of the deficits of East London Industrial Development Zone (Proprietary) Limited. The investment is held at R 260 and the metropolitan economic entity has no obligation for any deficits of the associate. The total unrecognised deficits for the current period amount to R2 626 082 (2012 : R13 890 166). The accumulated unrecognised deficits to date amount to R 19 826 977 (2012: R 41 614 932).

Notes to the Annual Financial Statements

Figures in Rand	2013	2012 Restated

18. Borrowings

Held at amortised cost		
Annuity loans	647,177,164	645,789,732
	647,177,164	**645,789,732**

The entity did not default on any of the borrowings in respect of capital or interest portions.

No terms attached to the borrowings were re-negotiated.

Non-current liabilities		
At amortised cost	597,206,903	604,256,175
Current liabilities		
At amortised cost	49,970,261	41,533,557
	647,177,164	**645,789,732**

19. Consumer deposits

Electricity	27,165,932	19,452,348
Water	18,353,333	17,467,545
	45,519,265	**36,919,893**

The amounts reflected represent a cost value as Management believes that the cost value approximates the fair value.

Guarantees held in lieu of Electricity and Water Deposits amounted to R13 190 628 (2012: R12 087 359).

The consumer deposits are reflected at nominal value as they are utilised as part of the settlement of final consumer accounts.

Figures in Rand	2013	2012 Restated
20. Finance lease obligation		
Minimum lease payments due		
- within one year	2,765,600	798,306
- in second to fifth year inclusive	4,898,477	1,518,725
	7,664,077	2,317,031
less: future finance charges	(2,036,425)	(863,249)
Present value of minimum lease payments	**5,627,652**	**1,453,782**
Present value of minimum lease payments due		
- within one year	1,686,593	463,541
- in second to fifth year inclusive	3,941,059	990,241
	5,627,652	**1,453,782**
Non-current liabilities	3,941,058	990,241
Current liabilities	1,686,593	463,541
	5,627,651	**1,453,782**

The average lease term was 3-5 years and the average effective borrowing rate was 7.35% (2012: 8.50%).

Interest rates are either fixed or variable at the contract date. All leases have fixed or variable repayments and in certain instances contingent rent is payable, as per stipulations in the lease agreements. The contingent rents were recognised as an expense for the period.

The metropolitan economic entity's obligations under finance leases are secured by the lessor's charge over the leased assets.

The entity did not default on any of the interest or capital repayments of the finance leases.

No terms and conditions of the finance leases were re-negotiated.

After the initial period the leases shall automatically be renewed on a monthly basis unless cancelled by either party.

All risks and rewards of ownership remain with the lessor upon expiry of the lease and there is no option to purchase the leased asset.

There are no restrictions imposed on the lease arrangements.

The contingent rent for the current year amounted to R743 123. Contingent rent is based on the annual operating charges of leased equipment which are escalated at a standard interest rate.

Figures in Rand		2013	2012 Restated

21. Provisions

Reconciliation of provisions - 2013

	Opening Balance	Utilised during the year	Total
Landfill sites	178,844,606	(11,464,485)	167,380,121

Reconciliation of provisions - 2012

	Opening Balance	Additions	Total
Landfill sites	153,348,488	25,496,118	178,844,606

Non-current liabilities		49,968,510	64,922,445
Current liabilities		117,411,611	113,922,161
		167,380,121	**178,844,606**
Prior period error	49		
Balance previously reported		-	192,973,790
Prior period opening balance Landfill site adjustment		-	(12,536,461)
Prior period movement Landfill site adjustment		-	(1,592,723)
Restated		**-**	**178,844,606**

With regards to the Provision for Landfill sites: It is stated in the Department of Water Affairs and Forestry "Minimum Requirements for Waste Disposal by Landfill", Second Edition 1998, Chapter 2.3.4, that "All landfills except those closed prior to August 1990 when the permitting system came into effect, must be permitted before they can be considered closed. Closure will involve, inter alia, the application of final cover, topsoil, vegetating, drainage maintenance and leachate management." Rehabilitation costs in respect of geohydrological monitoring is anticipated to be a recurring cost for the next 30 years. The future value of the rehabilitation of landfill sites obligation was calculated by inflating the non current rehabilitation cost to an estimated future cost which was then discounted to present value.

Assumptions used:
- Interest rate used is BCMM's borrowing rate at 10.09% (2012: 7.65%).

- The valuation for the landfill site provision was done by Munitech (Pty) Ltd, a company which specialises in infrastructure - maintenance and operations and municipal services, which includes solid waste collection and disposal. The company registration number is 1988/761/07 and the SAACE membership number is 439.

In the calculation of the provision for landfill sites, the Metropolitan economic entity adjusted the interest rate from 7.65% in 2012 to 10.09% in 2013, which is the interest rate for long term borrowings as reflected in note 50 of the AFS. If an interest rate of 10.09% was used in the 2012 calculation, this would have resulted in a provision amount of R158 296 774 compared to the amount of R178 844 606 as stated in the above note.

The comparative figure for the previous year in the amount of R192 973 790 was restated by R14 129 184 due to site valuations of two landfill sites that changed significantly and were no longer feasible to rehabilitate.

Notes to the Annual Financial Statements

Figures in Rand		2013	2012 Restated
22. Payables from exchange transactions			
Accrued leave pay		55,546,070	54,590,844
BCMET		1,645,347	1,910,795
Deposits received		5,884,942	5,277,546
Market creditors		858,561	685,208
BCDA		30,395	92,649
Other creditors		43,958,774	79,207,566
Payments received in advance		84,942,460	61,551,930
Retention monies		25,479,338	24,415,539
Trade payables		353,121,737	224,076,214
		571,467,624	**451,808,291**
Prior period errors - Deposits received	49		
Deposits received previously reported		-	7,713,276
Adjusted		-	(2,435,730)
Restated		**-**	**5,277,546**
Prior period errors - Other creditors	49		
Other creditors previously reported		-	75,498,841
Adjusted: Scarce skills		-	3,708,725
Restated		**-**	**79,207,566**
Summary of prior period errors	49		
Previously reported		-	449,850,089
Adjusted for Deposits received		-	(2,435,730)
Adjusted for Other creditors		-	3,708,725
Adjusted for Market creditors		-	685,208
Restated		**-**	**451,808,292**
Prior period errors	49		
Outstanding cheques recognised as market creditors	5	-	685,208

Accrued leave pay represents the total value of all leave due to staff as at 30 June.

BCMET - This amount represents funds allocated to Buffalo City Metropolitan Municipality (BCMM) to promote the planning and provision of adequate urban transport facilities through the preparation and implementation of urban transport plans and to provide for matters connected therewith. The Provincial Urban Transport Board was created under the auspices of the Urban Transport Act to facilitate the goals outlined in the Act. Funds were allocated to achieve those goals and the allocation of funds for projects are conditional on the approval by the Board. In terms of the Act, the funds (which are represented by a bank and an investment account - refer to note 5) are under the administration of the "Core City". Both of these accounts are under the control of employees of BCMM and the strategic guidance of the Urban Transport Board.

Notes to the Annual Financial Statements

Figures in Rand		2013	2012 Restated

23. Unspent conditional and unconditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional and unconditional grants and receipts			
Government grants		243,490,910	676,286,555
Provincial grants		189,832,657	45,955,939
Other conditional grants		16,825,046	17,295,867
		450,148,613	**739,538,361**
Prior period errors	49		
Government grants previously reported		-	787,665,935
Adjusted		-	(48,127,574)
Restated		**-**	**739,538,361**
Detail of conditional and unconditional grants			
Conditional grants		251,735,169	588,173,610
Unconditional grants		198,413,444	151,364,751
		450,148,613	**739,538,361**

Figures in Rand	2013	2012 Restated

23. Unspent conditional and unconditional grants and receipts (continued)

Movements on grants

Grant description	Unspent balance 30 June 2012	Receipts	Interest	Transfer operating expenditure	Transfer capital expenditure	Other transfers	Unspent balance 30 June 2013
Transitional Grant	113,769	-	-	-	-	-	113,769
Finance Management Grant	(996)	1,500,000	-	(1,500,000)	-	996	-
Land Affairs Grant	68,997,884	-	3,303,913	-	-	-	72,301,797
Urban Settlement Development Grant	245,455,917	499,474,000	-	(6,231,797)	(465,007,889)	(65,510,841)	208,179,390
Municipal Infrastructure Grant	8,244,260	-	-	-	-	-	8,244,260
Public Transport Infrastructure Systems Grant	280,018,116	3,000,000	-	-	(133,342)	(249,207,016)	33,677,758
Energy Efficient Technology Grant	5,588,975	-	-	-	-	-	5,588,975
European Commission Grant	802,587	-	37,437	-	-	-	840,024
Land Affairs Grant	60,735,251	-	2,806,634	(978)	-	-	63,540,907
Infrastructure Skills Development Grant	-	3,000,000	-	(1,265,458)	(654,959)	-	1,079,583
Department of Water Affairs Grant	604,427	5,830,681	-	(7,729,946)	-	1,294,838	-
Expanded Public Works Program Grant	-	1,484,000	-	(929,823)	-	-	554,177
Municipal Support Programme Grant	289,906	-	-	-	-	-	289,906
Disaster Relief Grant	-	-	713	-	-	(713)	-
Local Economic Development Grant	3,312,282	-	-	-	-	-	3,312,282
Provincial Government Premiers Grant	67,421	-	-	-	-	-	67,421
Mdantsane Urban Renewal Grant (Mount Ruth)	7,882,979	-	365,518	-	-	-	8,248,497
Health Management Systems Grant	176,266	-	-	-	-	-	176,266
Aids Training Information Centre Grant	11,048,601	-	-	-	-	(72,821)	10,975,780
Department of Sports Recreation Arts & Culture	10,437,047	-	-	-	-	-	10,437,047
Ward Committee Training Grant	375,372	-	-	-	-	-	375,372
Amatole District Municipality Grant	1,979,270	-	-	-	-	-	1,979,270
Buffalo City Metropolitan Transport Grant	222,603	-	-	-	(204,597)	-	18,006
Donation and Public Contribution Grant	5,225,093	272,201	-	-	-	-	5,497,294
Sector Education Training Authority Grant	470,892	3,418,667	-	-	-	(3,889,559)	-
Department Economic Affairs and Tourism Grant	127,126	-	-	-	-	-	127,126
Vuna Award Grant	1,048,758	-	-	-	-	-	1,048,758
Gavle Grant	511,514	-	30,235	(8,790)	-	-	532,959

Figures in Rand	2013	2012 Restated

23. Unspent conditional and unconditional grants and receipts (continued)

Glasgow Partnership Grant	89,858	-	-	-	-	-	89,858
Public Development Areas Development Fund	877,963	188,125	-	-	-	-	1,066,088
Eastern Cape Development Agency Grant	67,359	-	-	-	-	-	67,359
Umsobomvu Youth Grant	679,028	-	31,379	-	-	-	710,407
Compost Waste Management Grant	60,640	-	-	-	-	-	60,640
Leiden Grant	531,844	49,613	24,010	(413,977)	-	-	191,490
Human Settlement Development Grant	4,538,807	20,879,696	736,712	(47,918,009)	(6,220,234)	27,983,028	-
Housing and Infrastructure Development Grant	347,162	-	15,639	-	-	-	362,801
Electricity Demand Side Management Grant	74,933	10,000,000	-	-	(10,071,435)	(3,498)	-
Integrated National Electrification Programme	6,253,799	30,000,000	-	-	(33,277,932)	(2,975,867)	-
Department of Water Affairs Grant	6	1,374,000	-	(1,125,786)	-	(248,220)	-
Mdantsane Upgrade Water Supply Grant	31,482	-	1,418	-	-	-	32,900
Mdantsane Upgrade Water and Sewerage Grant	147,144	-	6,628	-	-	-	153,772
Water Supply to Cove Rock Grant	327,858	-	-	-	-	-	327,858
Bequests	129,288	-	3,615	-	-	-	132,903
Sundry Grants	3,985,947	-	11,973	-	-	-	3,997,920
Other Grants ex Amatole District Council	426,365	-	646	-	-	-	427,011
Sundry Housing Grants	7,233,561	-	87,423	-	-	(2,000,000)	5,320,984
	739,538,364	**580,470,983**	**7,463,893**	**(67,124,564)**	**(515,570,388)**	**(294,629,673)**	**450,148,615**

Prior period errors	49		
Unspent grants previously reported		-	787,665,936
Adjustments to urban settlement development grant		-	(21,858,431)
Ajustments to municipal infrastructure grant		-	(26,269,143)
Restated		**-**	**739,538,362**

All conditions for the funding were complied with and no funds were withheld.
These amounts are invested in a ring-fenced investment until utilised.
Conditional grants amount to R251 735 169 and unconditional grants amount to R198 413 440.

Figures in Rand		2013	2012 Restated

24. Post- retirement medical obligation

The amount recognised in the statement of financial position are as follows:

Carrying value			
Balance at beginning of year		341,426,029	280,763,820
Interest cost		24,583,110	26,493,119
Current service cost		12,647,770	13,851,056
Actual employer benefit payments		(13,928,851)	(13,459,130)
Actuarial (gain)/loss recognised in the year		(23,165,235)	33,777,164
Net liability		**341,562,823**	**341,426,029**
Net costs			
Interest cost		24,583,110	26,493,119
Current service cost		12,647,770	13,851,056
Actuarial (gain)/loss recognised in the year		(23,165,235)	33,777,164
Net cost per Statement of Financial Performance	33	**14,065,645**	**74,121,339**

The Metropolitan economic entity employees contribute to 6 accredited medical aid schemes, namely LA Health, Bonitas, Key Health, SAMWU Med, FedHealth and Hosmed. Pensioners continue on the option they belonged to on the day of their retirement.

The obligation in respect of the medical care contributions for retirement benefits is valued every year by independent qualified actuaries. The last actuarial valuation was prepared on 22 July 2013 by ARCH Actuarial Consulting using the Projected Unit Credit Method.

The Metropolitan economic entity opted not to recognise the actuarial loss applying the "Corridor" method.

The best estimates for the employer benefit payments in the 2013/14 financial period is expected to be R14 850 248 (The actual employer benefit payments in the 2012/13 financial period was R13 928 851).

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	7.88 %	8.59 %
Medical aid inflation rate	6.62 %	7.30 %
Net effective discount rate	1.19 %	1.20 %
Post retirement subsidy	60.00 %	60.00 %
Retirement age		
Males	63	63
Females	63	63
Number of eligible members	2,514	2,561
Number of pensioners	518	520
1% change in the assumed medical inflation:		
Projected liability increase/(decrease) - 2013	51,234,423	(40,987,539)
Projected liability increase/(decrease) - 2012	54,628,164	(44,385,384)
Projected liability increase/(decrease) - 2011	42,114,610	(36,499,296)
Projected liability increase/(decrease) - 2010	43,165,000	(35,058,000)

Mortality during employment - SA 85-90 Ultimate table adjusted for female lives.

Mortality post retirement - PA901 Ultimate table rated down one year.

Figures in Rand		2013	2012 Restated

25. Revaluation reserve

Opening balance		2,446,637,596	16,047,826
Depreciation transfer to income/correction prior year	45	(573,137)	(2,294,320)
Revaluation of investment properties		(18,004,241)	2,432,884,091
		2,428,060,218	**2,446,637,596**
Prior year error			
Balance previously disclosed		-	15,474,690
Revaluation reserve realised (Refer to Statement of Changes in Net Assets)		-	(1,721,185)
Revaluation (Refer to Statement of Changes in Net Assets)		-	2,432,884,091
Restated		**-**	**2,446,637,596**
Cash flow movements 2013	45		
Movements for the year		-	18,577,378
Depreciation transfer to income (equity)		-	(573,137)
Community assets-2013 impairment released from revaluation reserve as offset against impairment expenditure		-	(52,142)
Community assets-2013 disposals released from the revaluation reserve as offset against loss on sale of assets		-	(37,697)
Total		**-**	**17,914,402**

26. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

2013

	Financial assets amortised	Total
Other financial assets	57,353	57,353
Trade and other receivables from exchange transactions	383,984,497	383,984,497
Other receivables from non-exchange transactions	212,235,175	212,235,175
Cash and cash equivalents	1,843,315,512	1,843,315,512
Non-current investments	892,235	892,235
VAT receivable	64,736,157	64,736,157
	2,505,220,929	**2,505,220,929**

Figures in Rand		2013	2012 Restated

26. Financial assets by category (continued)

2012

		Financial assets amortised	Total
Other financial assets		70,451	70,451
VAT receivable		33,958,513	33,958,513
Trade and other receivables from exchange transactions		312,473,204	312,473,204
Other receivables from non-exchange transactions		146,314,714	146,314,714
Cash and cash equivalents		1,521,968,734	1,521,968,734
Non-current investments		856,861	856,861
		2,015,642,477	**2,015,642,477**
Adjustment of financial assets previously reported	49		
Previously reported			- 1,989,355,073
Adjusted: Property rates	8		- (3,013,101)
Adjusted: Other receivables billing	8		- (4,280,785)
Adjusted: Other debtors - BCDA	8		- 1,750
VAT recognised as financial asset	9		- 33,958,513
Adjusted: Bank overdraft	5		- (1,064,181)
Adjusted: Market creditors	22		- 685,208
Restated			**- 2,015,642,477**

Figures in Rand	2013	2012 Restated

27. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

2013

	Financial liabilities at amortised cost	Measured at fair value	Total
Accrued leave pay	55,546,070	-	55,546,070
BCMET	1,645,347	-	1,645,347
Payments received in advance	84,942,460	-	84,942,460
Other financial liabilities	647,177,164	-	647,177,164
Trade and other payables	423,448,805	-	423,448,805
Consumer deposits	-	45,519,265	45,519,265
Other deposits	-	5,884,942	5,884,942
Unspent conditional grants	450,148,613	-	450,148,613
	1,662,908,459	**51,404,207**	**1,714,312,666**

2012

	Financial liabilities at amortised cost	Measured at fair value	Total
Accrued leave pay	54,590,844	-	54,590,844
BCMET	1,910,795	-	1,910,795
Payments received in advance	61,551,930	-	61,551,930
Other financial liabilities	645,789,732	-	645,789,732
Trade and other payables	328,477,175	-	328,477,175
Consumer deposits	-	36,919,893	36,919,893
Other deposits	-	5,277,546	5,277,546
Unspent conditional grants	739,538,361	-	739,538,361
	1,831,858,837	**42,197,439**	**1,874,056,276**

Adjustment of financial liabilities previously reported	49		
Previously reported		-	1,015,570,325
Resort rental income erroneously disclosed as caravan deposits	22	-	(2,435,730)
Adjusted: Scarce skills	22	-	3,708,724
Unspent conditional grants recognised as financial liability	23	-	739,538,361
Accrued leave pay, BCMET, payments recieved in advance, market creditors included in trade and other payables. Recognised as financial liabilities	22	-	118,738,777
Adjusted: Bank overdraft	5	-	(1,064,181)
Restated		**-**	**1,874,056,276**

Figures in Rand		2013	2012 Restated
28. Revenue			
Service charges		1,964,268,076	1,754,709,786
Rental of facilities and equipment		15,485,474	14,619,601
Licences and permits		15,299,244	15,707,756
Other revenue		203,319,984	138,399,340
Interest received - investment		106,184,278	82,656,471
Property rates		580,100,409	522,514,480
Government grants & subsidies		1,235,137,628	907,186,380
Public contributions and donations - operating projects		-	599,152
Fines		5,979,206	5,455,740
Public contributions and donations - PPE		-	730,105
Fuel levy		317,781,000	170,477,000
		4,443,555,299	**3,613,055,811**
The amounts included in revenue arising from exchanges of goods or services are as follows:			
Service charges		1,964,268,076	1,754,709,786
Rental of facilities and equipment		15,485,474	14,619,601
Licences and permits		15,299,244	15,707,756
Other revenue		203,319,984	138,399,340
Interest received - investment		106,184,278	82,656,471
		2,304,557,056	**2,006,092,954**
The amounts included in revenue arising from non-exchange transactions are as follows:			
Taxation revenue			
Property rates		580,100,409	522,514,480
Transfer revenue			
Government grants and subsidies		1,235,137,628	907,186,380
Public contributions and donations - operating projects		-	599,152
Fines		5,979,206	5,455,740
Public contributions and donations - PPE		-	730,105
Fuel levy		317,781,000	170,477,000
		2,138,998,243	**1,606,962,857**
Prior year errors - Rental of facilities and equipment	49		
Previously reported		-	13,387,803
Adjusted		-	1,231,798
Restated		**-**	**14,619,601**

Figures in Rand	2013	2012 Restated

29. Property rates

Rates received

Residential	302,755,675	269,341,269
Commercial	271,383,807	243,352,437
Municipal	2,557,395	967,510
Public Benefit Organisation	41,092	4,580
Educational	4,389	5,586,571
Agricultural	3,251,927	3,117,285
Public Service Infrastructure	503,298	318,116
Vacant land	22,369,422	21,978,245
Less: Income forgone	(22,766,596)	(22,151,533)
	580,100,409	**522,514,480**

Valuations

Residential	41,099,633,920	41,152,218,219
Commercial	14,769,186,800	14,639,490,800
Public Benefit Organisation	22,357,000	2,800,000
Municipal	1,709,490,766	1,904,813,166
Rural Communal Land and Special	3,361,122,618	1,407,397,700
Educational	853,000	1,219,509,000
Agricultural	1,769,274,990	1,905,430,990
Public Service Infrastucture	273,829,000	277,782,000
Vacant land	1,014,486,202	1,119,340,202
	64,020,234,296	**63,628,782,077**

The Buffalo City Metropolitan Municipality is required, in terms of the Municipal Property Rates Act, Act 6 of 2004 (MPRA) to undertake a General Valuation on land and buildings every 4 years and a supplementary valuation at least once a year. The last general valuation came into effect on 1 July 2009. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions. The insititution undertook a tendering process to procure the services of a supplier to assist with the preparation of a valuation roll that needs to be presented to the Municipal Manager by 31 January 2014. An unsuccessful tenderer has instituted legal proceedings against the award that was made by the Municipality. Arising from this action, a court has interdicted the Municipality from continuing with the process until a judgement has been made by the court on the issue. The interdict placed on the institution to prevent the continued implementation of a General Valuation process is resulting in a risk that it may not achieve the compliance requirements in terms of the MPRA and may not be able to levy rates revenue in the 2014/15 financial year.

Rates are levied on a monthly basis (the due date for monthly accounts is the 15th of every month). Consumers must apply if they want to pay annually with the final date for payment for annual accounts being 30 September 2014. Interest at a standard rate (as amended from time to time), is levied on rates outstanding after 30 September, except where the owner is paying in installments.

Tariffs levied R/cents

Agricultural	0.001838	0.001636
Business	0.018375	0.016362
Educational	0.005145	0.004581
Public Service Infrastructure	0.001838	0.001636
Residential	0.007350	0.006545
Vacant Land	0.022050	0.019635

Buffalo City Metropolitan Municipality grants rebates, in terms of the Municipality's rates policy to the following category of owners:

A 40% rebate to senior citizens if they meet certain requirements.

A rebate/discount of up to 75%, where the Municipality does not supply some or all of the following services:

Figures in Rand	2013	2012 Restated

29. Property rates (continued)

Constructed public roads	15.0 %	15.0 %
Water supply	22.5 %	22.5 %
Refuse removal service	7.5 %	7.5 %
Electricity supply	15.0 %	15.0 %
Sewerage service	15.0 %	15.0 %
	75.00 %	**75.00 %**

- Properties that were not rated before 2009 qualify for a compulsory phase in period of three years in terms of Section 21 of the MPRA. Discount for 2013 was nil% (2012: 25%). The phase in discount in terms of Section 21 of the Municipal Property Rates Act (MPRA) lapsed in the 2011/12 financial year.
- Impermissible rates (Section 17 of the MPRA):
  Section 17(1)(a) - First 30% of the market value of public service infrastructure.
  Section 17(1)(h) - R15 000 on market value of residential properties.
  Section 17(1)(i) - Properties registered in the name of and used for public worship by religious communities, including an official residence registered in the name of that community which is occupied by an office bearer of that community.

30. Service charges

Sale of electricity	1,265,868,452	1,137,197,632
Sale of water	271,026,418	239,551,504
Sewerage and sanitation charges	223,023,307	197,957,711
Refuse removal	198,898,045	175,340,728
Other service charges	5,451,854	4,662,211
	1,964,268,076	**1,754,709,786**

31. Government grants and subsidies

Operating grants		
Government grants - operating projects	19,206,555	25,641,349
Government grants and subsidies - unconditional	652,442,674	663,677,220
Government grants - housing projects	47,918,009	31,616,463
	719,567,238	720,935,032
Capital grants		
Government grants (capital: PPE)	515,570,390	186,251,348
	515,570,390	186,251,348
	1,235,137,628	**907,186,380**

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

Amendment to government grant (PPE) previously reported		
Government grant - PPE previously reported	-	184,968,213
Adjusted for public contributions and donations - PPE	-	1,283,135
Restated	**-**	**186,251,348**

Unspent conditional grants and receipts

Conditions still to be met - remaining liabilities (see note 23).

Figures in Rand		2013	2012 Restated
32. Other revenue			
Administration fees		44,584	26,055
Admission fees		1,794,120	1,803,192
Application: Town planning		70,832	33,388
Cemetery fees		6,120,275	5,800,317
Cold storage fees		413,910	487,416
Commission		16,953,201	15,412,627
Coupons and clip tickets		1,576,794	1,657,828
Dog tax and penalties		728,981	620,211
Fire brigade		337,514	180,558
Fire levy charges		46,278,790	40,780,779
Grazing fees		51,276	52,622
Hire charges		371,402	400,385
Insurance		1,132,222	2,713,626
Levy on gates		45,564	90,757
Library		23,738	24,130
Meter test fees		31,071	34,492
Parking meters		119,949	192,648
Photocopies		94,532	103,523
Plan approval fees		5,164,972	4,459,391
Private works		1,400,278	1,261,309
Sale of plants and animals		11,203	39,671
Scrap		3,302,845	794,177
Service connections and reconnections		11,999,197	7,077,038
Street frontage and administration fees		281,838	270,807
Sub division fees		1,036,732	545,545
Sundry income		72,888,059	24,159,072
Tender receipts		316,656	523,609
Towing fees		33,808	51,824
Vehicle registrations		30,695,641	28,802,345
		203,319,984	**138,399,342**
Prior year errors	49		
Balance previously stated		-	118,100,894
Other revenue - Scrap income for waste disposal sites overstated		-	(1,978,231)
Other revenue - Reclaimed VAT for USD and MIG - sundry income		-	22,276,679
Restated		**-**	**138,399,342**

Figures in Rand	2013	2012 Restated

33. General expenses

Accounting fees	87,200	132,709
Advertising	2,476,131	2,210,070
Assessment rates & municipal charges	1,669,591	2,195,640
Assets expensed	1,972,741	1,857,599
Auditors remuneration	9,483,025	7,480,260
BCMET	236,082	283,029
Bank charges	5,587,362	5,782,567
Chemicals	14,277,663	15,271,994
Cities network	321,539	292,308
Cleaning	3,326,696	4,094,844
Commission paid	12,431,331	11,133,109
Community development and training	-	7,218
Computer expenses	7,624,331	2,101,289
Conferences and seminars	3,258,715	2,062,661
Consulting and professional fees	30,712,954	29,598,390
Consumables	6,384,656	6,838,765
DWAF	5,850,062	4,227,598
Disconnections	6,344,239	3,768,702
Electricity	44,874,856	42,236,581
Entertainment	2,577,006	2,032,754
Essential users cost	13,028,671	11,862,533
Fuel and oil	41,114,758	31,455,269
Hire (labour and plant)	1,350,355	1,540,921
Horticulture	1,944	-
IT expenses	3,215,365	3,954,888
Insurance	15,859,288	15,535,982
Lease rentals on operating lease	51,172,482	40,944,282
Levies	13,646,090	13,225,798
Magazines, books and periodicals	1,563,835	2,443,226
Marketing	144,951	244,400
Motor vehicle expenses	4,259,245	3,985,988
Operating and housing projects ex grants	147,271,362	100,939,751
Other expenses	62,094,995	42,267,031
Post-retirement medical obligation net cost	14,065,645	74,121,339
Postage and courier	4,409,239	4,695,788
Printing and stationery	8,999,445	8,132,810
Promotions	423,574	342,366
Refuse	6,212,935	8,831,682
Royalties and license fees	8,772,290	8,366,907
Security (Guarding of municipal property)	189,097	391,668
Software expenses	941,938	326,682
Special events	2,908,093	1,159,801
Subscriptions and membership fees	9,801,914	9,501,138
Telecommunication costs (telephones, faxes and cell phones)	20,526,210	20,515,910
Title deed search fees	15,597	6,966
Training	3,008,454	3,133,866
Travel - local	7,009,710	6,233,208
Travel - overseas	1,659,289	1,114,021
Uniforms	6,980,293	6,832,462
Water	5,161,896	3,906,151
	615,305,140	**569,620,921**

Amendment to general expenses previously disclosed

General expenses previously reported	-	594,148,300
Medical aid obligation net cost(ex statement of financial performance)	-	74,121,339
Poor relief (now disclosed per note 43: grants & subsidies)	-	(98,646,962)

Notes to the Annual Financial Statements

Figures in Rand		2013	2012 Restated
33. General expenses (continued)			
Adjustment to telecommunication costs due to overstatement of expenditure in the 2012 financial year		-	(1,750)
Amended total		**-**	**569,620,927**
Prior year errors - BCDA	49		
Telecommunication costs previously reported		-	20,517,660
Adjustment to telecommunication costs due to overstatement of expenditure in the 2012 financial year		-	(1,750)
Restated		**-**	**20,515,910**

Figures in Rand		2013	2012 Restated
34. Employee related costs			
Basic emoluments		610,444,235	602,172,059
Medical aid contributions		42,217,987	40,410,121
UIF		6,610,236	6,005,373
Leave pay contribution		20,868,042	25,319,589
Pension fund contribution		112,547,443	110,355,566
Overtime payments		62,098,630	50,915,706
Long-service awards		13,224,861	12,194,233
13th Cheque's		49,567,189	50,148,188
Car allowance		17,416,594	18,717,538
Housing benefits and allowances		3,508,636	3,770,310
Group life		5,248,707	5,333,247
Other allowances		37,138,769	31,023,598
		980,891,329	**956,365,528**
Prior year errors - Other allowances	49		
Previously reported		-	27,314,873
Scarce skills allowances to be paid in the 13/14 financial year iro the 11/12 financial year		-	3,708,725
Restated		**-**	**31,023,598**
Summary of prior period errors	49		
Previously reported		-	952,656,803
Adjusted for Other allowances		-	3,708,725
Restated		**-**	**956,365,528**
Remuneration of Municipal Manager			
Remuneration		1,055,584	803,225
Travel Allowance		90,000	-
Contributions to UIF, Medical and Pension Funds		29,306	-
Allowance		446,701	-
Other		-	535,483
		1,621,591	**1,338,708**
Remuneration of Chief Financial Officer			
Remuneration		313,222	702,740
Housing subsidy		1,478	-
Travel Allowance		65,589	-
Allowance		14,584	-
UIF		595	-
Medical aid		11,381	-
Pension contributions		39,669	-
Group life		3,924	-
Other		-	468,493
		450,442	**1,171,233**

The CFO position was filled in March 2013. Remuneration based on the position being filled for the full period equates to R1 351 352. Acting allowance to the value of R 155 012 was paid in the 2012/13 financial year in respect of the vacant CFO position.

Remuneration of Director Executive Support Services

Figures in Rand	2013	2012 Restated
34. Employee related costs (continued)		
Remuneration	-	527,055
Travel allowance	-	144,000
Allowance	-	78,681
UIF	-	1,123
Medical aid	-	14,922
Pension contributions	-	102,776
Group life	-	9,869
	-	**878,426**

The position was vacant for 2012/13. Remuneration based on the position being filled for the full period equates to R1 237 994. Acting allowance to the value of R 225 243 was paid in the 2012/13 financial year in respect of the vacant Director Executive Support Services position.

Remuneration of Chief Operations Officer

Remuneration	-	292,808
Travel allowance	-	80,000
Allowance	-	35,599
UIF	-	624
Medical aid	-	16,403
Pension contributions	-	57,098
Group life	-	5,483
	-	**488,015**

The position was vacant for 2012/13. Remuneration based on the position being filled for the full period equates to R1 237 994. Acting allowance to the value of R 176 010 was paid in the 2012/13 financial year in respect of the vacant COO position.

Remuneration of Director Corporate Services

Remuneration	61,900	702,740
Housing subsidy	3,000	36,000
Travel allowance	15,000	180,000
Allowance	9,679	97,906
UIF	125	1,497
Medical aid	1,392	16,056
Pension contributions	12,070	137,034
	103,166	**1,171,233**

The Director of Corporate Services resigned on the 31 July 2012 and the position remained vacant for the remainder of the financial year. Remuneration based on the position being filled for the full period equates to R1 237 994. Acting allowance to the value of R 154 770 was paid in the 2012/13 financial year in respect of the vacant Director Corporate Services position.

Remuneration of Director Health and Public Safety

Remuneration	495,198	702,740
Allowance	232,426	329,962
UIF	1,142	1,497
Pension contributions	96,564	137,034
	825,330	**1,171,233**

The contract for the Director of Health and Public Safety expired on 28 February 2013. He was appointed as Special Advisor to the Executive Mayor with effect from 01 June 2013. The payment for the period March to May 2013 is reflected under note 55: Irregular expenditure. Remuneration based on the position being filled for the full period equates to R1 237 994.

Remuneration of Director Engineering Services

Notes to the Annual Financial Statements

Figures in Rand	2013	2012 Restated

34. Employee related costs (continued)

Remuneration	742,796	702,740
Travel allowance	168,000	168,000
Allowance	157,225	140,220
UIF	1,713	1,497
Medical aid	13,565	12,424
Pension contributions	144,845	137,034
Group life	9,849	9,318
	1,237,993	**1,171,233**

Figures in Rand	2013	2012 Restated

34. Employee related costs (continued)

Remuneration of Director Development and Planning

Remuneration	742,796	702,740
Travel allowance	192,000	192,000
Allowance	121,232	105,115
UIF	1,713	1,497
Medical aid	21,499	19,688
Pension contributions	144,845	137,034
Group life	13,908	13,158
	1,237,993	**1,171,232**

Remuneration of Director Community Services

Remuneration	742,796	702,740
Travel allowance	120,000	120,000
Allowance	214,731	196,803
UIF	1,713	1,497
Pension contributions	144,845	137,034
Group life	13,908	13,158
	1,237,993	**1,171,232**

35. Remuneration of Councillors

Executive Mayor	640,892	607,480
Deputy Mayor	42,726	485,984
Speaker	512,714	485,984
Chief Whip	480,668	455,610
Mayoral Committee Members (Allowance = R480 668: 9 Councillors)	4,253,657	4,100,490
Traditional leaders	356,325	-
Councillors (Allowance = R 224 312: 87 Councillors)	20,282,120	24,842,828
Councillors pension contribution	2,626,833	1,767,177
Councillors housing subsidy	2,690,095	2,261,594
Councillors medical aid	1,031,476	795,151
Travel allowance	10,413,804	7,075,811
UIF	-	87,557
	43,331,310	**42,965,666**

In-kind benefits

The Executive Mayor, Deputy Mayor, Speaker, Chief Whip and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council. Cost of secretarial support amounts to R2 710 857 (2012: R 2 486 553).

The Executive Mayor and Deputy Mayor each have the use of a Council owned vehicle for official duties. Operating costs of the vehicles amounts to R192 985 (2012: R 333 666). An amount of R396 833 (2012: R 304 444) was incurred for hired vehicles.

The Executive Mayor and Deputy Mayor each have full-time bodyguards and an official driver. Cost of the bodyguards and the drivers amounts to R1 664 084 (2012: R1 427 729).

These benefits are governed by MFMA circular 58 dated 14 December 2011 and the Government Gazette 35962 dated 07 December 2012. Certain benefits that were prohibited by MFMA circular 58 dated 14 December 2011 have been regularised by Government Gazette 35962 dated 07 December 2012. These benefits includes the provision of electronic devices and official accommodation and furniture for the Executive Mayor. House keeping costs in the amount of R32 869 are also included.

Figures in Rand		2013	2012 Restated
36. Debt impairment			
Contributions to debt impairment allowance account		106,769,757	58,206,738
37. Interest received			
Interest revenue			
Unlisted financial assets		75,756,373	51,472,891
Bank		8,223,811	7,260,714
Interest charged on trade and other receivables		22,196,338	23,911,632
Interest on sporting body loans		7,756	8,252
SARS interest		-	2,982
		106,184,278	**82,656,471**

38. Fair value adjustments and discounting of receivables and payables

In terms of GRAP 104 Paragraph AG 87 the initial period granted for short-term payables and receivables is 30 days. As the normal municipal receivables and payables terms are within 30 days and is consistent with established practice and legislation, no discounting needs to be performed.

39. Depreciation and amortisation			
Property, plant and equipment	15	696,166,151	671,224,895
Intangible assets - amortisation	12	3,184,946	4,477,178
		699,351,097	**675,702,073**
Prior period errors	49		
Previously reported		-	513,024,034
Adjustment		-	162,678,039
Restated		**-**	**675,702,073**
40. Finance costs			
Non-current borrowings		67,258,679	70,498,923
41. Auditor General remuneration			
Expenses		9,483,025	7,480,260
42. Contracted services			
Other Contractors		7,763,365	6,839,654

Figures in Rand		2013	2012 Restated
43. Grants and subsidies paid			
Grants-in-Aid			
Grants And Subsidies		2,016,324	-
Subsidies-Churches,sport and other welfare org.		1,636,935	-
Buffalo City Development Agency		57,496	167,465
Mayoral Social Responsibility		400,047	420,901
Publicity Association Grant		3,763,505	1,115,717
Sponsored Sporting Events		13,127,110	12,036,803
Poor relief		94,920,244	98,646,964
		115,921,661	**112,387,850**
Amendment to grants and subsidies previously disclosed			
Grants-in-Aid previously reported		-	13,740,886
Poor relief previously disclosed under general expenses		-	98,646,964
Amended total		**-**	**112,387,850**
44. Bulk purchases			
Electricity		900,088,648	787,947,122
Water		140,024,695	127,440,041
		1,040,113,343	**915,387,163**
45. Net cash flows from operating activities			
Surplus		482,778,674	(48,407,957)
Non-cash movements			
Depreciation and amortisation	39	699,351,097	675,702,073
Loss on the sale of property, plant and equipment	15	8,166,366	7,546,528
Share of deficit of associate	17	-	12,087,832
Fair value adjustment on Investment Property revalued	13	12,106,576	12,514,554
Impairment deficit	15	71,393	1,798,575
Debt impairment	36	106,769,757	58,206,738
Movement in operating leases	10	(2,605,046)	(1,582,011)
Movement in post retirement medical aid benefit obligation	24	136,794	60,662,209
Movement in provisions relating to landfill sites	21	(11,464,485)	25,496,119
Revaluation realisation	25	(17,914,402)	(2,294,320)
Adjustment of prior year transactions	15	-	(53,876,651)
Adjustment of prior year transactions	32	-	(20,298,448)
Adjustment of prior year transactions	34	-	3,708,724
Adjustment of prior year transactions	64	-	8,708,272
Revaluation of property, plant and equipment	15	-	67,929
Non-cash property, plant and equipment adjustments	15	215,924	-
Non-cash property, plant and equipment additions	15	(7,829,585)	(26,245,909)
Non-cash property, plant and equipment transfers	15	11,464,486	-
Movement in inventory	6	45,462,930	20,303,946
Movement in receiveables from non-exchange transactions	8	(65,920,461)	(62,260,537)
Movement in receivables from exchange transactions	7	(178,281,050)	(159,620,632)
Movement in payables from exchange transactions	22	119,659,331	82,253,322
Movement in VAT receivables and payables	9	(30,767,882)	2,380,395
Movement in current tax payable	67	24,920	246,394
		1,171,425,337	**597,097,145**

Figures in Rand	2013	2012 Restated

46. Commitments

Authorised capital expenditure

Approved and contracted for - Property, Plant and Equipment		
▸ Community	167,425,695	32,930,069
▸ Infrastructure	807,740,428	227,001,502
▸ Other	196,737,090	121,217,979
	1,171,903,213	**381,149,550**

This committed expenditure relates to Infrastructure, Community and Other Property, Plant and Equipment.
Above amounts exclude VAT.

Operating leases - as lessee (expense)

Minimum lease payments due		
- within one year	6,927,809	6,357,433
- in second to fifth year inclusive	17,157,685	24,085,494
	24,085,494	**30,442,927**

Operating lease payments represent rentals payable by the metropolitan economic entity for certain of its office properties. Leases are negotiated for an average term of five years and rentals are fixed for an average of five years. No contingent rent is payable.

47. Contingencies

Contingent assets

A counterclaim of R27 140 802 has been instituted by Council against Dormell Properties trading as Allaince Communications for repayment of amounts paid to them relating to the forensic investigation on Dr Zitha's appointments.

The estimated amount of recoverable traffic fines for 2013 is R1 544 400 (2012: R1 495 800) at year end.

BCMM purchased property in the amount of R762 440 (2012: R762 440) from Roger Rodney Smith who has now instituted a claim against Council for the sale to be reversed. If successful, BCMM will be refunded the amount.

Summons in the amount of R492 050 (2012: R492 050) have been issued to parties to recover costs incurred relating to a forensic investigation undertaken in respect of services rendered for waste sites.

A claim of approximately R515 946 (2012: R50 000) has been instituted by Council against ASBF Marking, Imigudu Joint Venture and Others due to contractor disputes whereby the contractor defaulted from their obligations in terms of the contract.

BCDA has lodged a dispute on the VAT balance, as at 30 June 2012, per SARS statements. BCDA submitted VAT returns as required subsequent to the last VAT assessment conducted by SARS. The VAT outstanding as per SARS amounts to R33 897.

48. Related parties

Associate	Refer to note 17

All Councillors and Employees have disclosed their interest in related parties and no one has the ability to control or exercise significant influence over Council in making financial and operating decisions.

BCMM paid an amount of R 128,200 VAT inclusive in April 2013 in respect of grass mowing on behalf of East London IDZ.

For key management and Councillors remuneration refer to notes 34 and 35.

Figures in Rand		2013	2012 Restated

49. Prior period adjustments

During the year the following adjustments were made to transactions whereby amounts were erroneously stated in previous financial periods:

The correction of the error(s) results in adjustments as follows:

Accumulated Surpluses			
Resort rental income erroneously disclosed as caravan deposits	22		1,203,931
IDZ rebate on rates overcharged 07/08, 08/09, 09/10, 10/11 financial years	8		(3,013,101)
IDZ overcharged on electricity 09/10 financial year	8		(1,400,484)
Scrap income for waste disposal sites overstated 09/10, 10/11 financial years	8		(902,070)
Reclaimed VAT for MIG grant not claimed for the 10/11 financial year	23		25,850,895
Electricity assets - carrying value overstated in prior year	15	-	(34,429,802)
Land - Adjustments made due to the review,update and reclassification of immovable assets	15	-	(2,313,722,613)
Buildings - Adjustments made due to the review,update and reclassification of immovable assets	15	-	(844,950,428)
Work in progress - Adjustments made due to the review,update and reclassification of immovable assets	15	-	(36,230,591)
Recreational facilities - Adjustments made due to the review,update and reclassification of immovable assets	15	-	(32,841,173)
Roads	15	-	4,383,777
Water network - Adjustments made due to the review,update and reclassification of immovable assets	15	-	(125,119,395)
Community buildings - Adjustments made due to the review,update and reclassification of immovable assets	15	-	(30,311,285)
Revaluation reserve - Adjustments made due to the review,update and reclassification of immovable assets	25	-	942,683
Investment property - Adjustments made due to the review,update and reclassification of immovable assets	13	-	188,063,317
Heritage assets - Adjustments made due to the review,update and reclassification of immovable assets	14	-	(3,420,756)
Total changes to accumulated surpluses			**(3,205,897,095)**
Statement of Financial Position 2012			
Adjustment to deposits erroneously disclosed - should be rental income	22		(2,435,729)
IDZ rebate on rates overcharged 07/08, 08/09, 09/10, 10/11 financial years	8		3,013,101
IDZ overcharged on electricity 09/10 financial year	8		1,400,484
Scrap income for waste disposal sites overstated 09/10, 10/11, 11/12 financial years	8		2,880,301
Reclaimed VAT for MIG grant not claimed for the 10/11 financial year	23		(48,127,574)
Scarce skills allowances to be paid in the 13/14 financial year iro the 11/12 financial year	22		3,708,724
Adjustment to accounts receivable for telephone expenses overstated in the 2012 financial year - BCDA	8		(1,750)
Increase in tax due to decrease in telephone expenses in the 2012 financial year - BCDA	67		490
Accumulated depreciation for the year adjusted	15		(839,751)
Cash on hand/creditors adjusted	5&22		2,283,083
Bank account adjusted	5	-	(2,283,083)
Other properties (landfill sites) adjusted	15	-	14,129,184
Provisions (landfill sites) adjusted	21	-	(14,129,184)
Total changes to the Statement of Financial Position 2012			**(40,401,704)**

Figures in Rand		2013	2012 Restated

49. Prior period adjustments (continued)

Statement of Financial Performance 2012			
Surplus for the year as per audited financial statements			123,730,338
Resort rental income erroneously disclosed as caravan deposits	28		1,231,798
Scrap income for waste disposal sites overstated 11/12 financial year	32		(1,978,231)
Reclaimed VAT for MIG and USD grants not claimed for the 11/12 financial year	32		22,276,679
Scarce skills allowances to be paid in the 13/14 financial year iro the 11/12 financial year	34		(3,708,724)
Adjustment to accounts receivable for telephone expenses overstated in the 2012 financial year - BCDA	8		1,750
Increase in tax due to decrease in telephone expenses in the 2012 financial year - BCDA	67	-	(490)
Repairs and maintenance - Adjustments made due to the review,update and reclassification of immovable assets	33	-	(8,708,272)
Depreciation - Adjustments made due to the review,update and reclassification of immovable assets	39	-	(162,678,039)
Fair value - Adjustments made due to the review,update and reclassification of immovable assets	13	-	(12,514,554)
Disposals - Adjustments made due to the review,update and reclassification of immovable assets	15	-	(6,060,218)
Net affect on surpluses for 2012			**(172,138,301)**
Restated surpluses for 2012			**(48,407,963)**
Summary: Adjustments affecting Net Assets			
Changes to operating income and expenditure accounts in the 2011 and earlier years			(3,205,897,095)
Changes to the operating income and expenditure accounts in the 2012 year			(172,138,301)
Total changes affecting Net Assets			**(3,378,035,396)**
Reconciliation of the restated balance of the accumulated surpluses as at 1July 2012			
Balance as per audited statements			11,291,325,421
Changes effecting net assets			(3,378,035,396)
Balance as at 1 July 2012 as restated			**7,913,290,025**
Reconciliation of the restated balance of the accumulated surpluses as at 1July 2011			
Balance as per audited statements			11,180,335,322
Prior year adjustments			(3,205,897,095)
Balance as at 1 July 2011 as restated			**7,974,438,227**

50. Risk management

Capital risk management

The metropolitan economic entity's objectives when managing capital are to safeguard the metropolitan economic entity's ability to continue as a going concern in order to provide benefits for stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Metropolitan economic entity consists of debt, which includes the borrowings, cash and cash equivalents and equity.

There have been no changes to what the metropolitan economic entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Financial risk management

Figures in Rand	2013	2012 Restated

50. Risk management (continued)

The metropolitan economic entity's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The metropolitan economic entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the metropolitan economic entity's financial performance. Risk management is carried out under policies approved by the accounting officer. The accounting officer provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

Liquidity risk

The metropolitan economic entity's risk to liquidity is a result of the funds available to cover future commitments. The metropolitan economic entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

Interest rate risk

As the metropolitan economic entity has no significant interest-bearing assets, the metropolitan economic entity's income and operating cash flows are substantially independent of changes in market interest rates.

The metropolitan economic entity's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Metropolitan economic entity to cash flow interest rate risk. Borrowings issued at fixed rates expose the metropolitan economic entity to fair value interest rate risk.

Cash flow interest rate risk

Financial instrument	Current interest rate	Due in less than a year	Due in one to two years	Due in two to three years	Due in three to four years	Due after five years
Trade and other receivables - normal credit terms (1/7/2012-31/1/2013 = 7.5%)	8.00 %	660,955,829	-	-	-	-
Cash in current banking institutions	4.50 %	146,017,859	-	-	-	-
Call investment deposits	4.67 %	1,697,297,653	-	-	-	-
Trade and other payables - extended credit terms	10.50 %	(422,559,849)	-	-	-	-
Long term borrowings	10.09 %	(49,970,261)	(104,603,263)	(150,700,458)	(201,409,489)	(445,767,676)

These amounts best represent maximum exposure to credit risk at the end of the reporting period without taking account of any collateral held or other credit enhancements.

Sensitivity Analysis of Market Risk

Effect of a 1% change in the interest rate	Current interest rate	Value 30 June 2013	Discounted value at current rate	Discounted value at current rate (-1%)	Discounted value at current rate (+1%)
Trade and other receivables - normal credit terms (1/7/2012-31/1/2013 = 7.5%)	8.00 %	660,955,829	611,996,138	617,715,728	606,381,494
Trade and other payables	10.50 %	(397,110,906)	(359,376,386)	(362,658,362)	(356,153,279)
Cash in current banking institutions	4.50 %	146,017,859	139,730,009	141,080,057	138,405,554
Call investment deposits	4.67 %	1,697,297,653	1,621,570,319	1,637,211,974	1,606,224,712

The sensitivity analysis was based on the assumption that a 1% increase or decrease in the interest rate could occur. The method used to prepare the sensitivity analysis was based on the discounted value of the respective cash flow for 1 year using the respective current interest rate in order to determine the effect of applicable market risk of a 1% increase or decrease in the interest rate.

Figures in Rand	2013	2012 Restated

50. Risk management (continued)

Credit risk

Credit risk consists mainly of cash deposits (refer note 5) and trade debtors (refer notes 7&8). The metropolitan economic entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

51. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

52. Events after the reporting date

At the time of preparing and submitting the Annual Financial Statements there were no subsequent events to disclose.

53. Unauthorised expenditure

Unauthorised expenditure for the year	-	-
Approved by Council or condoned	-	-
Transfer to receivables for recovery	-	-
Unauthorised expenditure awaiting authorisation	14,478,000	-
Closing balance	**14,478,000**	**-**
Prior period error		
Previously reported	-	8,116,451
Adjusted	-	(8,116,451)
Restated	**-**	**-**

The asset register is currently being revised for certain infrastructure asset categories which has led to an increase in the cost of these assets and the resulting depreciation on them, which was not budgeted for. This is also due to a large amount of infrastructure projects that were still under construction (WIP) when the budgeted figures were calculated. This resulted in depreciation on roads and certain municipal properties being charged when these assets were capitalised which was not budgeted for.

No disciplinary steps were taken to date of reporting and there is no indication that these costs are recoverable.

The comparative figure for the previous year in the amount of R8 116 451 was reversed due to this amount being deemed by the Metropolitan economic entity to not be unauthorised expenditure.

54. Fruitless and wasteful expenditure

Opening balance	7,148,190	6,146,874
Acts of negligence, damage to municipal properties and theft of goods.	421,177	828,514
Payment made iro yearly bus licences.	119,880	-
Interest charged on overdue accounts due to late payment and sheriff fees.	-	103,004
Payments made in respect of Council Litigations.	393,253	60,555
Penalties charged by SARS for late/incorrect submission of VAT returns - BCDA	-	7,276
Cellphone charges with no contract/services - BCDA	-	1,750
AGSA late payment - BCDA	-	217
Cellphone charges refund received - BCDA	(1,750)	-
	8,080,750	**7,148,190**

Staff members involved in acts of negligence, damage to vehicles, theft of goods and overpayment of overtime, resulted in the Metropolitan economic entity incurring losses totalling R421 177 (2012: R 828 514). No disciplinary action has been taken to date of reporting and there is no indication that these costs are recoverable.

Figures in Rand	2013	2012 Restated

54. Fruitless and wasteful expenditure (continued)

Payments made in respect of Council Litigations amounted to R393 253 (2012: R60 555).

Payment made iro yearly bus licences in terms of the National Road Traffic Act of 1996 to the amount of R119 880. The busses are not in use due to litigation.

BCMM has established a Municipal Public Accounts Committee (MPAC) which is constituted by Council to investigate all irregular, fruitless and wasteful expenditure. The MPAC recommends to Council the condonement and future actions to be taken in regards to irregular, fruitless and wasteful expenditure.

BCDA - Cellphone charges with no contract/services amounted to R1 750.

BCDA - Penalties charged by SARS for late/incorrect submission of VAT returns accrued but not yet paid amounted to R7 276 during 2012.

BCDA - AGSA late payment amounted to R217.

55. Irregular expenditure

Opening balance	664,006,652	227,215,436
Irregular Expenditure - current year	117,127,620	436,791,216
	781,134,272	**664,006,652**

Analysis of expenditure awaiting condonation per age classification

Current year	117,127,620	436,791,216
Prior years	664,006,652	227,215,436
	781,134,272	**664,006,652**

Details of irregular expenditure

Procurement made outside SCM regulations	13,153,621	-
BCC contracts	17,308,350	67,623,247
Annual contracts	77,233,540	9,390,425
Expired contracts	89,370	186,920,051
Expired leases on machinery and other expired leases	1,958,187	2,400,297
Expired leases on hygiene products	261,265	1,972,725
Irregular expenditure made on 3 quotation system	4,705,137	103,585,743
Completeness of SCM documentation	1,571,468	-
Payment iro employment contract - Section 57 employee	271,490	-
Stock purchases	-	177,354
Payments iro Councillors	-	15,175,427
ED contracts	-	48,852,489
Informal tenders	-	596,480
Non-approved deviations by Council - MFMA Regulation 36 on SCM	575,192	-
Scope extention and 3 quatation system - BCDA	-	96,978
	117,127,620	**436,791,216**

BCMM has established a Municipal Public Accounts Committee (MPAC) which is constituted by Council to investigate all irregular, fruitless and wasteful expenditure. The MPAC recommends to Council the condonement and future actions to be taken in regards to irregular, fruitless and wasteful expenditure.

Amounts condoned by Council at the Council meeting on 31 July 2013 were R75 786 430 and R143 410 018 in respect of 2011 and 2012 respectively.

Figures in Rand	2013	2012 Restated

55. Irregular expenditure (continued)

Details of irregular expenditure recoverable

Tender award - Irregularities - Neo Solutions		2,278,189
Tender award - Irregularities - Waste Rite		20,231,888
		22,510,077

56. In-kind donations and assistance

FELZOO donated assistance to BCMM	23,800	193,378

57. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription / fee	9,800,000	9,500,000
Amount paid - current year	(9,800,000)	(9,500,000)
	-	-

Contributions to SA Cities Network

Current year subscription / fee	321,539	292,308
Amount paid - current year	(321,539)	(292,308)
	-	-

Audit fees

Current year fee	9,219,239	7,328,872
Amount paid - current year	(9,219,239)	(7,328,872)
	-	-

PAYE, UIF and Skills

Current year subscription / fee	131,332,923	125,865,881
Amount paid - current year	(131,332,923)	(125,865,881)
	-	-

Amounts in respect of June 2012 were paid by 07 July 2012 as per legislation, therefor there were no outstanding amounts for the financial year 2012/2013.

Pension and Medical Aid Deductions

Current year subscription / fee	230,482,775	221,671,814
Amount paid - current year	(230,482,775)	(221,671,814)
	-	-

Amounts in respect of June 2012 were paid by 07 July 2012 as per legislation, therefor there were no outstanding amounts for the financial year 2012/2013.

Figures in Rand	2013	2012 Restated

57. Additional disclosure in terms of Municipal Finance Management Act (continued)

VAT

VAT receivable	64,736,157	33,958,513
VAT payable	(9,762)	-
	64,726,395	**33,958,513**

VAT output payables and VAT input receivables are shown in note 9 as net VAT receivable.

All VAT returns have been submitted by the due date throughout the year. VAT is only declared to SARS on receipt of payment from consumers.

Councillors and officials arrear consumer accounts

Arrear Councillors accounts totalling R8 515 were outstanding for more than 90 days at 30 June 2013 (2012: R2 912) for which mechanisms are in place to deduct amounts from the monthly allowances of each Councillor.

30 June 2013	Outstanding more than 90 days
Councillor R. Angelbeck - since 30 June 2013 amount paid	1,115
Councillor S. Gomba - since 30 June 2013 amount paid	3,644
Councillor N. Mekani - since 30 June 2013 amount paid	150
Councillor M. Nkula - since 30 June 2013 amount paid	1,447
Councillor G. Norexe - since 30 June 2013 amount paid	185
Councillor R.Thiele - since 30 June 2013 outstanding amount less than 90 days	1,974

30 June 2012	Outstanding more than 90 days
Councillor A.M. Matana	502
Councillor N.E. Maqidlana	652
Councillor R.N. May	530
Councillor N. Mekani	633
Councillor L.J. Mentoor	358
Councillor L. Quse	237

During the year officials accounts totalling R879 397 (2012: R461 723) were outstanding for more than 90 days.

Material losses

Electricity losses for the current year amounted to 9.54% i.e. R85 345 229 (2012: 12.61% i.e. R97 544 542). These losses comprise of technical and non-technical losses. Technical losses, being losses within the network which are inherent in any network, account for 5% i.e. R44 723 885 (2012: 6.5% i.e. R50 285 375). Non-technical losses, being theft, faults, billing errors etc., account for 4.54% R40 621 344 (2012: 6.11% i.e. R47 259 167). Attempts are currently being made to reduce these non-technical losses.

Non revenue water i.e. non billed water amounted to 45.67% i.e R102 924 479 (2012: 47.28% i.e. R105 221 795). 41.06% i.e R92 503 445 (2012: 37.56% i.e. R83 590 522) of these losses can be accounted for in terms of the National Guidelines for non-revenue water. 4.61% i.e. R10 421 034 (2012: 9.72% i.e. R21 631 273) of these losses cannot be accounted for mainly due to the non-metering of this water. This problem is currently being addressed whereby additional meters are being installed.

The above losses include rural areas and informal settlements.

Figures in Rand	2013	2012 Restated

58. Utilisation of Long-term liabilities reconciliation

Long-term liabilities raised	45,368,396	-
Finance leases raised	5,004,171	749,790
Used to finance property, plant and equipment	(50,372,567)	(749,790)
	-	-

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.

59. Deviation from supply chain management regulations

Regulation 36 of the MFMA on Supply Chain Management (SCM) Regulations and clause 36 of the SCM Policy of 2012 states that a SCM Policy must provide for the procurement of goods and services by way of a competitive bidding process.

Regulation 36 states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the Council and includes a note to the annual financial statements.

During the financial year under review goods/services totaling R16 182 283 (2012: R21 666 617) were procured and the process followed in procuring those goods/services deviated from the provisions of the regulations as stated above. The accounting officer approved the deviations from the normal SCM regulations.

Nature of deviation	**No of contracts**	**Value of contracts**
Emergency	3	12,541,744
Sole supplier	1	80,000
Exceptional case	4	3,560,539
	8	**16,182,283**

60. Retirement benefit information

The employees of the Council as well as the Council as employer, contribute to Municipal Pension, Retirement and various Provident Funds as listed below:

- Cape Joint Pension Fund
- Cape Retirement Fund
- Eastern Cape Local Authorities Provident Fund
- Government Employees Pension Fund
- SAMWU National Provident Fund
- SALA Pension Fund
- East London Municipal A Band Provident Fund
- Old Mutual Orion Provident Fund
- Aftredevoorsieningsfonds vir Kaapse Plaaslike Owerhede
- Municipal Employees Pension Fund
- Municipal Councillors Pension Fund

The Cape Joint Pension Fund's last actuarial valuation was at 30 June 2012 conducted by S. Neethling from Metropolitan Life Limited. The fund was 99.4% funded at valuation date. BCMM has both defined contributions (8) and defined benefit (29) members within this fund. The fund includes a number of municipalities and it is therefore not possible to identify each municipalities performance as the assets of the fund cannot be separately identified. Due to the low number of members it is envisaged that a surplus or deficit will not have a material effect on future contributions.

The Cape Retirement Fund's last actuarial valuation was at 30 June 2012 conducted by S. Neethling from Metropolitan life Limited who certified that the fund was in a sound financial position.

The Eastern Cape Local Authorities Provident Fund's last valuation was at 30 June 2021 conducted by E. Du Toit from Alexander Forbes Financial Services who certified that the structure of the assets and the matching of the assets with the liabilities is adequate. The funding level level was at 99.67% at valuation date.

Figures in Rand	2013	2012 Restated

60. Retirement benefit information (continued)

The Government Employees Pension Fund's last valuation was at 31 March 2010 conducted by A. Nel . The funding level at this date was 100%.

SAMWU National Provident Fund's last actuarial valuation was at 30 June 2008 conducted by E. Potgieter from Fifth Quadrant Actuaries & Consultants (Pty) Ltd. The report stated that the fund was in a sound financial position.

The SALA Pension Fund's last valuation was at 30 June 2010 conducted by J.F. Rosslee of Genesis Actuarial Solutions. The fund was 96% funded as at valuation date. The valuator was satisfied with the investment policy of the fund and the nature of the assets is in his opinion, suitable for the nature of the liabilities of the fund at the date of valuation.

The Municipal Employees Pension Fund's last interim valuation was at 29 February 2009 prepared by Itakane Consultants and Actuaries (Pty) Ltd. The funding level at this date was 102.2%.

The Municipal Councillors Pension Fund's last interim valuation was at 28 February 2011 prepared by A. F. Botha from Jacques Malan Consultants and Actuaries. The report stated that the fund was in a sound financial position.

It is Council's policy to fund 60% of Pensioner's medical aid expenses. The current costs amount to approximately R 13.9 million.

An amount of R157 million (2012: R 151.9 million) was contributed by Council, Councillor's and employee's in respect of Councillor and employee retirement funding. These contributions have been expensed.

The East London Municipal A Band and Old Mutual Orion Provident Funds as well as the Aftredevoorsieningsfonds vir Kaapse Plaaslike Owerhede are fixed/defined contribution funds. It is therefore not necessary to perform actuarial valuations for these funds.

Figures in Rand	2013	2012 Restated
61. Contingent liabilities		
Litigation Issues		
A claim has been instituted against Council by T.L. Rayi due to alleged defamation. Legal advice has been sought and Council will defend the claim.	100,000	100,000
Claims have been instituted against Council due to alleged outstanding payments, contractual disputes and various damage claims.	2,617,040	1,162,631
A claim has been instituted against Council by Transnet due to outstanding rental since 1998 when the last lease between Transnet and BCMM expired (Date of incident March 1998 and summons received by BCMM November 2007). (Resolved)	-	4,092,956
A claim has been instituted against Council by Dalwick Trading in respect of alleged breach of contract. The contractor presented BCMM with a letter of appointment regarding a 2010 Legacy Project but there is no record within BCMM of the contractor tendering or being awarded the contract (Date of incident August 2008 and summons received by BCMM November 2010).	1,563,415	1,563,415
A claim has been instituted against Council by M.Sithole for damages suffered as a result of his appointment as Municipal Manager being rejected by Council (Date of incident August 2009 and summons received by BCMM June 2011).	1,382,118	1,382,118
A claim has been instituted against Council by RJW Ikusasa JV due to cancellation of a contract to lay a bulk sewer pipe due to non performance (Summons received by BCMM November 2007).	9,780,185	9,780,185
A claim has been instituted against Council by N.M. Rieger & Others in respect of monies allegedly due to them in terms of an agreement with Council (Date of incident June 2000 and summons received by BCMM July 2011). (Resolved)	-	2,872,579
A claim has been instituted against Council by Tshiki & Sons Inc seeking a court order to compel Council to pay fees allegedly due in respect of Conveyance work done on Council's behalf (Date of incident August 2011 and summons received by BCMM September 2011).	3,948,000	3,948,000
A claim has been instituted against Council by Tshiki & Sons Inc seeking a court order to compel Council to pay fees allegedly due in respect of Conveyancing work done on Council's behalf (Date of incident June 2010 and summons received by BCMM January 2012).	7,786,920	7,786,920
A claim has been instituted against Council by Nurcha Development & Tusk Construction for alleged breach of contract (Cession agreement signed by the Contractor New Boss CC) (Date of incident June 2011 and summons received by BCMM January 2012).	2,910,575	2,910,575
A claim has been instituted against Council by Mkwanazi Construction (Pty) Ltd claiming for damages arising from alleged delays and disruptions in the construction project (Date of incident October 2011 and summons received by BCMM April 2012).	36,861,290	36,861,290
A claim has been instituted against Council by Faye Heuer claiming for damages against Council due to an accident allegedly caused by potholes (Date of incident February 2009 and summons received by BCMM February 2012).	2,209,820	2,209,820
A claim has been instituted against Council by Claremont Farming as the plaintiff wants BCMM to take ownership of its farm after BCMM alledgedly erected a water reservoir on the farm. (Resolved)	-	680,000
Contracts awarded during Dr.Zitha's tenure as acting Municipal Manager were investigated by forensic auditors. The forensic investigation has been completed and a final report has been submitted to Council. Council is to decide on the outcome of the report.	20,474,866	20,983,535
A claim has been instituted against Council by Reigerton Farms for Gonubie Main Road (Letter of demand received April 2013).	15,812,736	-
A claim has been instituted against Council by Evaluations Enhanced Property Appraisals (Pty) Ltd for an application to set aside an award made by BCMM to a competing tenderer under contract 2953 - General Valuation Project (Summons received November 2012).	29,642,513	-
A claim has been instituted against Council by Ranamane Mokalane Incorporated for professional fees owed for services rendered by them (Date of incident April and May 2010 and summons received March 2013).	2,724,871	-

Figures in Rand	2013	2012 Restated
61. Contingent liabilities (continued)		
A claim has been instituted againts BCDA by (Kwezi V3 now Worley Parsons) for claiming an amount above contract amount. This additional amount relates to additional services and disbursements that had not been included in the initial contract and there was no agreement entered for these additional costs.	45,104	-
Total Contingent Liabilities in respect of Litigation Issues	**137,859,453**	**96,334,024**
Labour Issues		
Directors bonuses	3,074,537	2,105,653
Employees who could have been incorrectly placed during the placement process in 2003 and other labour disputes have resulted in possible claims.	6,878,488	4,815,057
The unions have disputed the interpretation of the TASK Job Evaluation agreement and have indicated that the current salary scales being used should have increased by 8.48% with effect from 01/07/2010.	37,000,000	35,000,000
Employees who have appealed against TASK evaluation results may receive a higher TASK level and backpay if their TASK levels are upgraded through the appeal process. It is also possible that positions within the Municipality could be re-graded and employees could also in some cases be upgraded and receive backpay. 6.5% of the positions have not yet been graded and the financial implications of this are unquantifiable. The appeals arise from the evaluation of all posts in 2006.	10,000,000	10,000,000
The Senior Professional Nurses allege that their Occupational Specific Dispensation allowances have been incorrectly calculated and that they should be receiving higher amounts. The Occupational Specific Dispensation Allowances (OSDA) paid to primary health care employees will be recalculated according to information requested from Province and this will determine whether the amounts paid to employees need to be adjusted. The amount is therefore unquantifiable at this stage (This was for the period 2010 to June 2012 paid in August 2012). (Resolved)	-	4,800,000
Certain former R293 employees received a lesser total package when they were transferred to the Municipality in April 2000.	5,000,000	5,000,000
Total Contingent Liabilities in respect of Labour Issues	**61,953,025**	**61,720,710**
Insurance Issues		
Claims have been instituted against Council due to alleged assault, unlawful/wrongful arrest, defamation and various personal injury claims. Legal advice has been sought and Council will defend claims where so advised.	5,805,000	6,582,866
Claims have been instituted against Council due to various damage claims.	1,010,472	256,854
A claim has been instituted against Council by Mercedes-Benz SA in respect of a voltage fluctuation which allegedly fell outside the time periods and parameters as agreed upon in the electricity supply agreement between BCMM and MBSA resulting in damage to body shop machinery (Date of incident September 2009 and claim received by BCMM November 2009).	2,300,235	4,183,882
A claim has been instituted against Council by M. Ntswanthlana in respect of personal injury caused by a billboard (Date of incident August 2005 and claim received by BCMM September 2006). (Resolved)	-	1,880,000
A claim has been instituted against Council by M. Gwentsha, K. Poni, N. Magxwalisa, T. Nzuzo and D. Sam in respect of an alleged shooting incident (Date of incident January 2009 and claim received by BCMM March 2009).	2,500,000	2,500,000
A claim has been instituted against Council by T Beija and D.H.E. Bejia in respect of personal injury and vehicle damages caused by a pothole (Date of incident July 2012 and claim received by BCMM December 2012).	7,001,518	-
Total Contingent Liabilities in respect of Insurance issues	**18,617,225**	**15,403,602**
Other issues not yet under litigation		
Claims have been instituted against Council due to alleged outstanding payments, contractual disputes and various damage claims.	60,792	75,147

Figures in Rand		2013	2012 Restated
61. Contingent liabilities (continued)			
Total Contingent Liabilities		**218,490,495**	**173,533,483**
62. Cash flows from operating activities			
Receipts: Sale of goods and services			
Total revenue as per Statement of Financial Performance		4,443,555,299	3,613,055,811
Less: Fair value adjustments	13	(12,106,576)	(12,514,554)
Less: Interest received	37	(106,184,278)	(82,656,471)
Less: Public contributions and donations	28	-	(599,152)
Less: Government grants and subsidies received	28	(1,235,137,628)	(907,186,380)
Less: Public contributions- PPE	28	-	(730,105)
Gain/(Loss) on sale of assets	15	8,166,366	7,546,528
Movement from non-exchange transactions	8	(65,920,461)	(62,260,537)
Fair value adjustment on Investment Property revalued	13	12,106,576	12,514,554
Movement in receivables from exchange transactions	7	(178,281,050)	(159,620,632)
Movement in VAT receivables	9	(30,767,882)	2,380,395
Movement in operating lease receivable	10	(2,605,046)	(1,582,011)
Net revenue from sale of goods and services as per the cash flow statement		**2,832,825,320**	**2,408,347,446**
Payment: Suppliers			
Total expenditure as per the Statement of Financial Performance		(3,948,645,126)	(3,636,612,003)
Employee costs	34&35	1,024,222,639	999,331,194
Interest paid	40	67,258,679	70,498,923
Depreciation and amortisation	39	699,351,097	675,702,072
Reversal of impairments	15	71,393	1,798,575
Debt impairment	36	106,769,757	58,206,738
Non-cash property, plant and equipment transfers	15	11,464,486	-
Movement in post retirement medical aid benefit obligation	24	136,794	60,662,209
Movement in provisions relating to landfill sites	21	(11,464,485)	25,496,119
Ajustment of prior year transactions	15	-	(53,876,651)
Ajustment of prior year transactions	32	-	(20,298,448)
Ajustment of prior year transactions	34	-	3,708,724
Ajustment of prior year transactions	64	-	8,708,272
Revaluation of property plant and equipment	15	-	67,929
Movement in payables from exchange transaction	45	119,659,331	82,253,322
Non-cash asset additions-leases	15	(7,829,585)	(26,245,909)
Movement in inventory	45	45,462,930	20,303,946
Tax on adjustment of SARS interest and penalties calculated	37	-	(2,982)
Revaluation reserve realisation	25	(17,914,402)	(2,294,320)
Non-cash property, plant and equipment adjustments	15	215,924	-
Net payments to suppliers as per cash flow statement		**(1,911,240,568)**	**(1,732,592,290)**
Government grants, subsidies and public contributions and donations			
Government grants & subsidies	31	1,235,137,628	907,186,381
Public contributions and donations - operating	28	-	599,152
Public contributions and donations - PPE	28	-	730,105
Total as per cash flow statement		**1,235,137,628**	**908,515,638**

Figures in Rand		2013	2012 Restated
63. Surplus / (Deficit) for the year			
Reconciliation of actual operating results to net income/ (deficit)			
Net income for the period		482,778,674	(48,407,953)
Offset depreciation		423,793,015	473,029,283
Items not provided for in the operating budget		3,940,210	(19,634,360)
Capital expenditure ex grant funding		(515,570,387)	(187,131,453)
Actual operating results		**394,941,512**	**217,855,517**
Items not provided for in the operating budget			
(Loss) on disposal of assets and liabilities		(8,166,366)	(7,546,528)
Fair value adjustment on Sanlam shares revalued		(12,106,576)	(12,514,554)
Share of deficit of associate accounted for under the equity method		-	(12,087,832)
Other income and expenditure not bugeted for		**3,940,210**	**(19,634,360)**

When items of property, plant and equipment are financed from government grants these grants are recorded as revenue in the Statement of Financial Performance. (Revenue from non-exchange transactions). Depreciation expenses that will occur over the useful lives of Government funded items of property, plant and equipment will be offset by the accumulated revenue portion of the items of property, plant and equipment within accumulated surplus.

Other income and expenditure as set out in the table above, are those items falling outside the scope of the operational revenue and expenditure but affects the surplus/(deficit) for the year.

64. Repairs and maintenance			
Repairs and maintenance summary			
Repairs and maintenance - Buildings		12,682,400	12,445,133
Repairs and maintenence - Vehicles		12,914,335	11,011,960
Repairs and maintenance - Equipment		6,047,438	6,204,702
Repairs and maintenance - Minor improvements		2,790,570	2,700,551
Repairs and maintenance - Office machines		4,241,485	4,069,482
Repairs and maintenance - Roads		35,859,297	22,048,981
Repairs and maintenance - Furniture		173,693	121,624
Repairs and maintenance - Electricity		13,866,930	12,691,835
Repairs and maintenance - Deffered maintenance		76,584,866	55,779,001
Repairs and maintenance - Sewerage		9,000,089	8,242,751
Repairs and maintenance - Water network		15,558,749	19,314,642
Repairs and maintenance - Mechanical repairs		1,792,541	1,656,041
Repairs and maintenance - Stormwater		6,758,996	5,064,405
Repairs and maintenance - Radio equipment		87,685	162,762
Repairs and maintenance - Maintenance contracts		50,569,944	43,249,967
Repairs and maintenance - Grounds		704,326	667,907
Repairs and maintenance - General		10,787,805	9,662,715
Repairs and maintenance - Extinguishers		88,591	127,658
Repairs and maintenance - Health and Public safety		330,211	1,051,305
Repairs and maintenance - Community services		2,861,738	3,018,962
Total Repairs and maintenance		**263,701,689**	**219,292,384**
Prior year error	49		
Balance previously stated		-	210,584,112
Adjusted		-	8,708,272
Restated		**-**	**219,292,384**

Figures in Rand		2013	2012 Restated
65. Deferred tax			
Deferred tax asset			
Deferred tax		275	275
66. Other financial liabilities			
Other non-current financial liabilities			
Seaview Developers		50,000	50,000
Marina Glen		50,000	50,000
Other refundable deposits		2,500	2,500
		102,500	**102,500**
67. Current tax payable			
Current tax payable		518,489	493,569
Reconcilition of tax payable			
Opening balance		493,569	247,175
SARS interest and penalties payable		-	(2,982)
Current tax payable		24,920	249,376
Total tax payable		**518,489**	**493,569**
Prior period error - BCDA	49		
Normal tax previously reported		-	493,079
Adjusted for decrease in telephone expenditure for the 2012 financial year		-	490
Restated		**-**	**493,569**
68. Taxation			
Major components of the tax expense			
Current			
Local income tax - current period		24,920	249,376
Reconciliation of the tax expense			
Reconciliation between accounting surplus and tax expense.			
Accounting taxable surplus		555,345	884,581
Tax at the applicable tax rate of 28% (2012: 28%)		24,920	378,188
Tax effect of adjustments on taxable income			
Less: Interest received - SARS (R 2,982 * 28%)		-	(834)
Add: Tax Effect on interest and penalties (R7,275 * 28%)		-	2,037
		24,920	**379,391**
Prior period error - BCDA	49		
Normal tax previously reported		-	248,885
Adjusted for increase in taxable income for the 2012 financial year		-	130,016
Adjusted for decrease in telephone expenditure for the 2012 financial year		-	490
Restated		**-**	**379,391**

Figures in Rand	2013	2012 Restated

69. Bids awarded to family of employees in service of BCMM

In terms of section 45 of the Municipal SCM regulation, any award above R 2 000 to family of employee in the service of the State must be disclosed in the annual financial statements. The following is a list as recorded in the declaration-of-interest form:

Connected person	Position held in State	2013	2012
N. Mtwebana	Admin clerk	2,890	-
V. Mayekiso	Ward committee	14,400	-
N. Ntho	Electrition intern	10,500	-
S. Gantana	L.R. Practitioner	7,720	-
Z. Garishe	Overseer: Coastal	29,000	-
Total	**-**	**64,510**	**-**